UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-1

July 16, 1927

FOREIGN NEWS ON WHEAT

- - - - - -

WORLD WHEAT PROSPECTS FOR THE 1927 HARVEST

Based on reports received to July 12, 1927

General summary

Forecasts and condition reports received to date indicate a wheat crop in the Northern Hemisphere outside of Russia and China about the same as last year and a Russian crop not far from last year's production. Canada is the only important country reporting indications of a smaller crop, and the indicated reduction in her crop is offset by increases in Europe and the United States. It must be borne in mind, of course, that conditions are subject still to considerable change between now and the close of the harvesting season in the important producing countries. With favorable weather conditions through July and August, the Canadian crop, now forecast at 325,000,000 bushels, might equal last year. Conditions improved to a marked extent during June and sufficient moisture is in the ground to produce an excellent crop. The first forecast last year was about 349,000,000 bushels and good conditions for the remainder of the growing season caused the estimate of the outturn to be raised to 410,000,000 bushels. Although favorable conditions for the remainder of the season in the Northern Hemisphere might cause some increase over last year, it seems likely that such an increase might be partially or completely offset by a reduction in the Southern Hemisphere where droughts are threatening the crops. World production, therefore, seems likely to be not far from that of last year. See tables on pages 20, 21, and 22.

The total of official forecasts of production and computed estimates for 14 countries reporting to date indicates a production of 2,164,000,000 bushels as compared with 2,171,000,000 bushels in the same countries last year. These countries last year produced 73 per cent of the total production of the Northern Hemisphere and 64 per cent of the world production outside of Russia.

Considering all condition reports and the estimates of countries reporting to date, the European crop outside of Russia seems likely to be about 65,000,000 bushels greater than last year. France, Germany and Poland will probably have better crops than last year, Italy about the same crop, while Spain and several of the smaller European producers report indications of some reduction.

Russia remains an uncertain factor. Reports to date indicate that the wheat crop may be as large or even larger than last year, when production was estimated to have been about equal to the pre-war average and exports amounted to about 36,000,000 bushels. In the Ukraine there has been some shift from rye to wheat and there are some indications of similar shifts in other parts of the country, which may have

resulted in a larger wheat area than last year. The condition of winter wheat, according to G. C. Haas, American agricultural commissioner at Berlin, is slightly better than a year ago and about average. Reports, however, continue to indicate a lack of rainfall over a large part of the spring wheat area, extending northeast from eastern Ukraine. The only report on wheat conditions in China received to date is that in that section of China which supplies the Shanghai flour mills, prospects for production are good.

Considering the outlook for durum wheat, our interest centers in the production of North Africa and southern Italy. The North African crop as reported to date promises to be about the same as last year, when the four countries produced about 90,000,000 bushels. The Moroccan crop now estimated at 24,000,000 bushels as compared with 16,000,000 shels last year. Conditions in Algeria are not so favorable as in occo and with some reduction in area the crop will probably at the t be no greater than last year. The crop in Tunis has been reduced 00,000 bushels, but conditions in Egypt are somewhat better than last r. While Italy seems to be harvesting a crop about as large as last r, the outturn in southern Italy, where durum is produced, seems to onsiderably below last year. It is possible that the forecasted inse from 45,000,000 to 76,000,000 bushels in the United States may be rly offset by a reduction in southern Italy. Production of durum in Canada and Russia remains an uncertain factor in the situation.

In considering present conditions, as an indication of the outturn of the crop for the year in the Northern Hemisphere outside of Russia and China, it may be of interest to review briefly developments of the past four year. In 1923 conditions were summarized on July 11 as indicating a crop moderately larger than in 1922; the actual final production estimates were 9 per cent larger. In 1924 conditions were summarized on July 9 as indicating a crop at least 10 per cent below the previous year and the final estimate for the year was 12 per cent below. On July 13, 1925, conditions were summarized as indicating a crop larger than the preceding year. Conditions steadily improved in most European countries and North American following the reports on which this statement was based, and the final estimates indicated a crop 11 per cent larger than the preceding year. Last year conditions were summarized about the middle of July as indicating a harvest somewhat less than in 1925, due mostly to indicated reductions in Europe, but with a situation more than usually uncertain in Canada. The conditions of spring wheat improved in Canada and the United States after July 1. With these improvements, however, the total Northern Hemisphere crop for 1926 was 2 per cent below that of 1925. This experience indicates that, although conditions may materially change in individual countries, by July 1 condition reports begin to be a fair indication of the total Northern Hemisphere crop.

Prospects for the 1927 crop in the Southern Hemisphere are of course quite uncertain at this time. Droughts have hindered early seeding and reports indicate that the wheat area in both Argentina and Australia is likely to be reduced. According to a cable to the United States Department of Agriculture from Consul Garrels at Melbourne, little wheat had been sown up to July 1 in New South Wales, Victoria and South Australia, which states in

the past five years included about four-fifths of the total Australian wheat acreage. The seeding period is usually about completed by that time. In Victoria, which contains about a quarter of the total Australian wheat acreage, rains since the first of July have improved conditions and it seems probably that the seeding period is being extended there. In Western Australia, which contains about 19 per cent of the total Australian wheat area, conditions have been excellent and the acreage this year is reported as 2,874,000 acres compared with 2,447,000 last year, with the crop in good condition. In Tasmania and Queensland, also, conditions are excellent, but these regions are of little consequence. Yields of course will be affected by conditions both at time of seeding and through the growing season. In the past two years production in the Southern Hemisphere countries varied from 362,000,000 bushels in 1925 to 438,000,000 in 1926. Starting with poor conditions for seeding, even with a good growing season, the outturn of the Southern Hemisphere crop can hardly equal last year's larger production.

Stocks of old wheat

Stocks of old wheat in exporting countries and afloat appear to be larger than at the beginning of the 1925 and 1926 seasons, but not so large as in 1924. In the United States increases in farm stocks and visible supply indicate a probable increase of from 20,000,000 to 25,000,000 bushels in total stocks. Available reports indicate that the total stocks, including stocks in as yet unreported positions, in Canada, United States, Argentina and Australia may be about 50,000,000 bushels and the amount of wheat afloat about 10,000,000 bushels greater than last year. Wheat stocks in Australia as of July 1 are estimated at 49,500,000 bushels. The exportable surplus is placed at 28,500,000 bushels against 12,000,000 bushels on that date last year. Stocks of old wheat in Russia appear to be greater than for many years. Domestic supplies in Europe outside of Russia have been reduced to a minimum. Although heavy imports in recent months may have caused some accumulation of foreign wheat, European requirements that will have to be met from the old crop are still large. The new European crops are reported to be from two to three weeks late, which will make a place for a large part, if not all, of the increase in stocks of old wheat in exporting countries.

The prospects as to the deman for the surplus wheat of exporting countries at the present time appear to be as good as last year. Increases in population and general improvement in economic conditions are strengthening the purchasing power of importing consumers of wheat. In the past year there has been evidence of the resumption of the pre-war shift from the consumption of rye to wheat. Short rye and potato crops last year were important factors in causing European importing countries to buy large quantities of wheat. Both the potato and rye crops for this year are still uncertain but, considering indicated reductions in the rye area seeded in some countries, it seems likely that there will be no appreciable increase in competition from these two crops as compared with last year.

WHEAT: Supply and stocks in principal exporting countries and afloat beginning July 1, 1923 to 1927

Country	July 1, 1923	July 1, 1924	July 1, 1925	July 1, 1926	July 1, 1927
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States a/	65	70	58	37	53
Canada b/	25	45	37	40	49
Argentina c/	44	55	47	49	52
Australia c/	35	28	18	17	28.5
United Kingdom port stocks and afloat	56	64	51	53	61
Total	225	262	211	196	243.5

Afloat to	June 28 d/ 1924	June 27 e/ 1925	June 26 e/ 1926	June 25 e/ 1927
	Million bushels	Million bushels	Million bushels	Million bushels
Continent	24	15	25	25
Orders	17	16	12	17
Total	41	31	37	42

Compiled from official and commercial sources. a/ Carryover on June 30, only stocks in farmers' hands and Bradstreet's visible supply. b/ Bradstreet's visible supply. c/ Available for export and carryover. Cable information from consuls and International Institute of Agriculture at Rome. d/ Broomhalls Corn Trade News, June 30, 1925. e/ Broomhalls Corn Trade News, June 28, 1927.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, 1922 - 1927

Country from which exported	Year ending June 30 1922	1923	1924	1925	1926	1927 a/
	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu
United States b/	265,191	204,869	131,801	254,601	92,371	204,193
Canada	179,448	274,505	343,351	194,198	320,181	300,000
Australia b/	116,464	49,608	83,382	124,109	77,486	100,249
Argentina	108,966	145,428	170,006	125,279	99,801	134,490
British India	12,732	23,562	18,340	5,160	6,727	8,003
Russia	---	---	21,367	301	27,085	36,000
Bulgaria and Danube Basin	---	---	---	---	10,320	c/9,544
Total	682,801	697,972	768,247	703,648	633,971	792,479

Compiled from official sources, except for last few months of 1927, when data from commercial sources were combined with official figures to complete export statistics for the year. a/ Includes weekly accumulations in some cases, subject to material revision. b/ Flour converted to terms of grain on the basis that 1 barrel of flour is the product of 4.7 bushels of grain. c/ Total exports.

Forecasts and estimates of European rye production in four countries received to date indicate a crop of 298,000,000 bushels as compared with 271,000,000 bushels last year. The condition of the rye crop in Germany, July 1, was below the average for the past ten years, but the same as of that date last year. The Ukraine reports a reduction in rye area in favor of wheat. A general reduction in Russia might eliminate the exportable surplus from that country. In the case of rye, as of wheat, of course, conditions are still subject to change in the most important producing countries, namely Russia, Germany and Poland.

The European potato crop is still uncertain. Potato conditions in Germany are above average, as they were at this time last year, while in France the outlook is for a larger crop.

As usual, the prospects as to foreign competition and demand in relation to the wheat production of the United States differ somewhat with the different classes of wheat. In the case of durum, the market for the year should be about as good as last year unless Russia and Canada produce more durum for export; prospects for hard red spring wheat depend largely upon the maintenance of the good condition now prevailing and the outturn of the Canadian crop. Should the July 1 forecast for spring wheat be borne out, the market for that class of wheat will be upon an export basis in direct competition with Canadian wheat in European markets. The estimated production of hard winter wheat will provide considerable surplus for export to Europe in competition with wheats from Argentina, Russia and the hard spring wheat of Canada. As to soft red winter, it appears that there may be little for export and the markets for that wheat for a good part of the year may be in a position somewhat similar to that for the crop of 1924. The outlook as to the foreign competition and demand for Pacific Coast wheats is still quite uncertain. The Orient will probably take about the usual quantity, though possibly less than the past year, while competition from Australia may be somewhat less than last year.

United States production of wheat, by classes

The production of wheat in the United States by classes for the years 1923-26 and the July forecast for 1927 have been distributed on the basis of available percentages of area by classes, largely as of 1924, supplemented by percentages of 1923. Although the results do not take into account variations in the area seeded to the different classes of spring and winter wheat since 1924, except for durum, the results probably give fairly satisfactory indications of production and quantities available for export by classes during 1927-28. It appears that out of a crop of 854,000,000 bushels, only 10,000,000 bushels less than that of 1924, there will be about the same amount of soft red winter as in 1924, when that wheat was on a domestic basis.

The indicated amount of hard red winter to be available this year is approximately 20,000,000 bushels less than that of 1924, or of last year, but this reduction will still leave considerable for export. The indicated

production of durum is in excess of that for any of the preceding four years, while that of hard red spring is about 30,000,000 bushels below the production of 1924, and if the domestic markets retain as much of this wheat as they did in that year (155,000,000 bushels) there will be a slight surplus for export. Of last year's production of hard red spring of 122,000,000 bushels, practically all was retained in this country, and less than 2,000,000 bushels were exported. At least 13,000,000 bushels were imported.

WHEAT: United States production by classes, 1923 to 1927

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	55	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	832	122	227	361	49	73
1927	854	166	184	339	76	89

WHEAT: Production in the United States retained for all uses (total millings, stocks and feed) by classes a/ 1920 to 1926

Year	Hard red spring	Soft red winter	Hard red winter	Durum	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920	179	185	144	23	68	540
1921	104	208	200	30	64	607
1922	153	225	221	49	65	713
1923	124	259	216	38	82	718
1924	155	181	255	35	40	668
1925	153	167	195	35	64	613
1926 b/	120	199	288	29	48	683

a/ Obtained by deducting from production by classes the exports shown on page 7.
b/ These should be reduced by the June exports, not yet available.

Exports of wheat (as grain) from the United States by classes

Of the exports of wheat as grain during the past year, as indicated by data for eleven months, approximately half was of hard red winter, about 15 per cent of durum, 15 per cent of white, and 20 per cent of soft red winter. These exports reflect the changes in production by classes. Very little of spring wheat was exported because of a very small spring wheat

crop last year. The heavy exports of winter wheat were the result of a large winter wheat production. The prospect for this year is that exports will again be composed largely of hard winter wheat, very little of soft red winter, and considerably more of durum and white wheat.

WHEAT: Exports from the United States by classes and percentages, 1922 to 1926

Year	Exports					
	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total a/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1922	17,046	41,837	58,891	23,243	13,945	154,951
1923	3,152	16,546	26,002	13,395	19,698	78,793
1924	37,143	31,278	107,520	7,820	11,729	195,490
1925	3,159	29,699	11,374	2,528	16,429	63,189
1926 (11 mos.)	1,485	20,795	72,781	28,221	25,251	148,533
	Percentage of total exports					
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1922	11	27	38	15	9	100
1923	4	21	33	17	25	100
1924	19	16	55	4	6	100
1925	5	47	18	4	26	100
1926 (11 mos.)	1	14	49	19	17	100

a/ Totals reported by the Department of Commerce. Distribution by classes made on basis of inspections for export and Canadian inspection of United States durum and hard winter wheat.

Supply and disposition of United States wheat crop

Last year there was a total production of 832,000,000 bushels of wheat in the United States, supplemented by a carry-over of 60,000,000 bushels and imports of 13,000,000 bushels, making a total supply of 905,000,000 bushels compared with 977,000,000 bushels in 1924 and 775,000,000 bushels in 1925. This year's total supply will probably be very nearly an average of the supplies of 1924 and 1926. During the 1926-27 crop year, it appears that 954,000,000 bushels of wheat were exported as grain, 554,000,000 bushels were ground in mills, and 85,000,000 bushels were used for seeding. These exports are approximately 40,000,000 bushels less than in 1924, but about 90,000,000 bushels more than in 1925, a year of low production.

The following table gives the supply and distribution of wheat for the crop years of 1924-25 to 1926-27 with stocks on farms, the commercial visible supply, and estimated total production of wheat as of July 1, 1927:

WHEAT: Supply and distribution in the United States, 1924-25 to 1927-28

Period and item	1924-25	1925-26	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels
July 1 - June 30				
Supply:				
Stocks on farms, July 1	31	29	21	27
Country mills and elevators	37	25	23	
Commercial visible (Bradstreets)	39	29	16	26
Imports (grain only)	6	16	13	-
Production	864	676	832	854
Total supply	977	775	905	
Distribution:				
Exports (grain only)	195	63	154	
Mill grindings (commercial mills) a/	538	534	554	
Mill grindings (custom and small mills) b/	10	10	10	
Seed	84	83	85	
Feed, loss and changes in mill stocks c/	67	25		
Total disappearance	894	715	822	
Carryover	83	60		

a/ Estimated from census monthly returns. b/ A minimum estimate of small commercial mills and custom mills. c/ Used as a balancing factor.

Commercial mills appear to have taken about 16,000,000 bushels more of the 1926 crop of 832,000,000 bushels than they did of the larger 1924 crop of 977,000,000 bushels. This greater mill consumption does not, however, appear in flour exports since in 1924-25 about 65,000,000 bushels of wheat were exported as flour and during the 1926-27 season about 60,000,000 bushels were exported. The additional millings should therefore appear either as increased consumption due to the increase in population during the past three years, or in greater mill stocks on July 1, 1927, than on July 1, 1926. The unaccounted for distfibution during the past year, chargeable to "feed loss and changes in mill stocks", will probably appear less than that of 1925-26, when complete data for the year becomes available.

WHEAT: Market receipts and supply

Month	Receipts of inspected wheat at all inspection points a/		Receipts at 11 primary markets b/		Bradstreet's United States visible supply c/		World visible supply c/ b/	
	1925-26 Cars	1926-27 Cars	1925-26 1000 bu	1926-27 1000 bu	1925-26 1000 bu	1926-27 1000 bu	1925-26 1000 bu	1926-27 1000 bu
July	54,396	121,768	35,971	65,503	29,285	16,486	169,426	142,820
August	58,073	103,502	40,424	65,971	34,041	34,575	139,116	145,809
Sept.	65,234	69,952	56,846	45,295	39,800	72,884	134,422	182,870
Oct.	37,077	52,306	33,037	30,079	56,639	84,724	210,441	225,197
Nov.	44,071	39,904	33,023	27,377	52,394	81,175	230,916	230,916
Dec.	40,868	32,433	32,479	18,746	52,686	78,910	257,377	300,304
Jan.	24,646	32,720	18,379	18,918	59,244	70,811	323,919	378,641
Feb.	23,232	34,101	15,237	18,834	52,730	62,317	313,974	381,025
March	20,235	30,992	14,389	16,953	48,105	61,271	310,989	373,378
April	19,469	26,934	13,152	12,933	38,173	53,827	271,746	344,516
May	22,334		14,754	16,997	33,798	42,402	225,566	288,741
June	33,733		17,799	17,819	23,170	31,115	187,361	231,686
Total	444,268		325,490	355,425				

Division of Statistical and Historical Research. a/ Grain Division. b/ Compiled from Chicago Daily Trade Bulletin. c/ On 1st of month.

WHEAT: United States milling and export trade

Month	Wheat ground in United States mills a/		Inspections of United States wheat for export b/		Exports of wheat as grain c/	
	1925-26 1,000 bu	1926-27 1,000 bu	1925-26 1,000 bu	1926-27 1,000 bu	1925-26 1,000 bu	1926-27 1,000 bu
July	45,116	48,187	4,184	19,141	5,295	16,083
August	47,472	52,206	3,991	23,926	7,901	28,995
Sept.	50,895	53,975	7,344	21,317	9,301	23,700
Oct.	55,099	53,276	2,077	10,934	4,354	17,589
Nov.	46,892	47,981	2,684	10,445	4,696	14,230
Dec.	46,007	44,335	2,980	8,687	3,695	9,662
Jan.	44,511	42,870	2,578	6,364	2,412	8,078
Feb.	38,093	39,792	2,276	3,711	1,700	4,889
March	41,862	44,514	1,691	5,810	3,770	5,084
April	38,748	41,505	1,971	8,157	2,533	11,263
May	38,076	42,190	2,796	5,490	9,368	8,960
June	40,886		5,454		8,074	d/ 5,955
Total	533,659		40,006		63,189	d/ 154,488

Division of Statistical and Historical Research. a/ Census estimate raised to 100 per cent. b/ Grain Division. c/ Compiled from reports of Bureau of Foreign and Domestic Commerce. d/ Preliminary.

Estimating the May price of spring wheat

In the May 11, 1925 issue of "Foreign Crops and Markets", there was presented a method of estimating the May price of spring wheat several months in advance. The method was based on a study of the dominant factors which had determined the average May prices during the period 1896-1914. For that period it was found that the year to year changes in Northern and Southern Hemisphere production, the change in price between April and September, and the average September prices were the dominant factord from which the average May price of the following year could be estimated. The formula developed from that study has now been applied to the post-war years, with the following results for the twp periods:

During the years 1896-1914, the period upon which the study was based, the average error in estimating the May price was only 2.2 cents, omitting an error of 29.4 cents in the year of the Leiter corner. The lagrest difference, 7 cents, occurred in 1907.

When applied to the post-war years 1921-27, the estimated prices have been reasonably close to the actual prices 5 out of the 7 years, while large differences occurred in 1923 and 1925. During these 5 years the average error was 4.5 cents. The formula overestimated the May, 1923 price because of a so-called natural corner in the previous year, and underestimated the May, 1925 price because of changes in tariff relationships between April and September of the preceding year. For the remaining 5 years, the average difference between the estimated and actual prices was 4.5 cents, with an overestimate of 10 cents in the average price of May, 1927. It may be noted as of interest that the estimate of 157 for May of this year was reached during the last 6 trading days of the month, the average for the last 6 days being 156, and for the last 4 days, 158.

An explanation of the 10-cent overestimate for the monthly average is probably to be found partly in the factors which kept wheat prices in the United States markets lower than generally expected during most of the year until the rapid rise during the last half of May, and partly in the fact that the September 1926 price, which is an important factor in the estimating formula, may have been influenced somewhat by the ocean freight rate situation. It is not unlikely that the ocean freight situation tended to produce a September average price somewhat higher than that warranted by the supply conditions, with the result that the September price used in the formula may have been responsible for part of the overestimate for May.

From the explanations that have been offered relative to the difference between the post-war estimates and the actual May average prices, it is evident that a formula based simply on a few outstanding factors must be applied with considerable caution. To be of greater value, such a formula as is here used needs to be supplemented from year to year by a knowledge of the variations in the wheat situation which make any one year different from other or "normal" years. It is hoped that more factors will eventually be included in the estimating formula, but even then its use will need to be supplemented with judgment as to the effect of unforseen and current changes in such factors as freight rates and tariffs.

SPRING WHEAT: Estimated and actual May prices at Chicago, 1896-1914 and 1921-1926

Year	Estimate	Average May price	Year	Estimate	Average May price
	Cents	Cents		Cents	Cents
1896	62.8	61.2	1909	128.4	131.1
1897	69.7	72.4	1910	112.4	111.7
1898	90.8	a/ 120.2	1911	98.6	102.8
1899	72.3	73.0	1912	118.6	118.9
1900	67.1	67.0	1913	93.4	92.7
1901	69.7	74.1	1914	95.4	98.3
1902	78.9	76.7	War period		
1903	79.7	79.8	1921	168.2	163.0
1904	98.1	96.3	1922	151.6	150.0
1905	101.3	102.1	1923	b/152.3	121.5
1906	78.3	84.3	1924	120.1	116.4
1907	89.8	96.8	1925 c/	d/131.4	167.0
1908	107.3	107.8	1926 c/	164.4	162.1
			1927 c/	157.1	146.6

Division of Statistical and Historical Research. Average May prices compiled from Bartel's Red Book and Chicago Daily Trade Bulletin, average of daily quotations.

a/ Leiter corner in May wheat. b/ Estimate too high because of influence of so-called "natural corner" on prices the previous April. c/ Prices of No. 1 northern spring, Minneapolis. d/ Estimate too low because of change in tariff relationships between April and September of 1924.

SPRING WHEAT: Trends used in estimating the May price, 1919-1926

Year beginning July 1	Production: Northern Hemisphere	Production: Southern Hemisphere	Hypothetical consumption: Russia	Price, adjusted: April	Price, adjusted: Sept.	Price, adjusted: May
	Million bu	Million bu	Million bu	Cents	Cents	Cents
1919	3,160	260	723	107.3	95.0	110.6
1920	3,219	269	752	107.6	95.6	111.2
1921	3,279	278	781	107.9	96.2	111.8
1922	3,338	287	810	108.2	96.8	112.4
1923	3,398	296	839	108.5	97.4	113.0
1924	3,457	305	868	108.8	98.0	113.6
1925	3,516	314	897	109.1	98.6	114.2
1926	3,576	323	926	109.4	99.2	114.8
1927	3,636	332	955	109.7	99.8	115.4

Division of Statistical and Historical Research.

WHEAT: Weighted average price per bushel of reported cash sales at stated markets, by weeks, July 2, 1925 - July 8, 1927

Week ending	All classes and grades 5 markets 1925		No. 2 hard winter Kansas City 1925		No. 1 dark no. spring Minneapolis 1925		No. 2 amber durum Minneapolis 1925		No. 2 (soft) red winter St. Louis 1925	
	1925	1926	1925	1926	1925	1926	1925	1926	1925	1926
	Dols	Dols	Dols	Dols	Dols	Dols	Dols	Dols	Dols	Dols
July 2	1.52	1.39	1.49	1.32	1.58	1.62	1.59	1.46	1.69	1.37
9	1.51	1.40	1.48	1.31	1.59	1.75	-	1.52	1.52	1.39
16	1.59	1.43	1.55	1.39	1.70	1.82	1.59	1.55	1.60	1.44
23	1.58	1.43	1.55	1.37	1.72	1.83	1.66	1.58	1.62	1.43
30	1.56	1.40	1.55	1.36	1.70	1.67	1.67	1.59	1.60	1.41
Aug. 6	1.64	1.37	1.63	1.73	1.75	1.67	1.67	1.63	1.70	1.35
13	1.67	1.35	1.67	1.32	1.70	1.64	1.61	1.64	1.72	1.33
20	1.60	1.34	1.63	1.30	1.68	1.57	1.48	1.56	1.74	1.33
27	1.59	1.35	1.64	1.31	1.67	1.56	1.46	1.60	1.75	1.32
Sept. 3	1.55	1.34	1.60	1.31	1.63	1.48	1.40	1.39	1.74	1.33
10	1.53	1.35	1.58	1.28	1.67	1.45	1.31	1.35	1.73	1.34
17	1.54	1.39	1.58	1.32	1.59	1.50	1.30	1.42	1.71	1.36
24	1.49	1.38	1.58	1.33	1.57	1.51	1.25	1.39	1.71	1.37
Oct. 1	1.43	1.39	1.51	1.37	1.52	1.52	1.19	1.45	1.60	1.40
8	1.44	1.40	1.55	1.37	1.53	1.53	1.24	1.42	1.66	1.39
15	1.51	1.39	1.60	1.37	1.59	1.53	1.33	1.45	1.73	1.39
22	1.51	1.43	1.58	1.40	1.60	1.53	1.34	1.53	1.69	1.41
29	1.55	1.43	1.60	1.41	1.63	1.53	1.37	1.61	1.70	1.41
Nov. 5	1.55	1.40	1.60	1.38	1.63	1.49	1.41	1.63	1.70	1.37
12	1.55	1.41	1.61	1.39	1.63	1.50	1.41	1.66	1.68	1.39
19	1.59	1.35	1.63	1.34	1.67	1.45	1.42	1.55	1.73	1.34
26	1.63	1.35	1.66	1.36	1.71	1.44	1.45	1.60	1.75	1.34
Dec. 3	1.69	1.38	1.71	1.37	1.76	1.46	1.52	1.64	1.81	1.38
10	1.72	1.39	1.75	1.39	1.79	1.49	1.62	1.72	1.86	1.39
17	1.66	1.38	1.69	1.37	1.73	1.46	1.52	1.78	1.80	1.37
24	1.65	1.40	1.66	1.38	1.73	1.49	1.49	1.81	1.79	1.36
31	1.76	1.38	1.81	1.37	1.85	1.47	1.57	1.74	1.92	1.34
Jan. 7	1.78	1.36	1.80	1.36	1.84	1.46	1.61	1.72	1.94	1.37
14	1.72	1.38	1.76	1.38	1.78	1.47	1.56	1.66	1.93	1.38
21	1.71	1.37	1.78	1.38	1.76	1.47	1.58	1.63	1.93	1.37
28	1.71	1.37	1.78	1.38	1.76	1.47	1.54	1.71	1.93	1.37
Feb. 4	1.75	1.37	1.77	1.37	1.81	1.46	1.59	1.65	1.91	1.38
11	1.67	1.36	1.71	1.36	1.72	1.46	1.50	1.57	1.87	1.37
18	1.63	1.36	1.67	1.35	1.70	1.46	1.50	1.60	1.79	1.35
25	1.66	1.34	1.70	1.34	1.74	1.46	1.49	1.58	1.81	1.32
Mar. 4	1.59	1.34	1.63	1.35	1.68	1.46	1.43	1.54	1.71	1.32
11	1.60	1.36	1.63	1.35	1.69	1.46	1.45	1.63	1.72	1.33
18	1.62	1.33	1.64	1.33	1.71	1.42	1.45	1.52	1.75	1.32
25	1.54	1.29	1.56	1.29	1.62	1.38	1.46	1.58	1.64	1.26
April 1	1.55	1.31	1.56	1.30	1.64	1.39	1.45	1.54	1.69	1.27
8	1.54	1.32	1.56	1.31	1.62	1.40	1.45	1.55	1.67	1.29
15	1.59	1.31	1.62	1.30	1.68	1.39	1.49	1.52	1.72	1.27
22	1.63	1.34	1.62	1.30	1.71	1.42	1.54	1.54	1.73	1.28
29	1.59	1.35	1.58	1.32	1.67	1.44	1.51	1.49	1.69	1.32
May 6	1.58	1.39	1.57	1.36	1.66	1.49	1.48	1.59	1.69	1.37
13	1.58	1.42	1.59	1.41	1.65	1.52	1.48	1.61	1.68	1.41

Continued -

WHEAT: Weighted average price per bushel of reported cash sales at stated markets, by weeks, July 2, 1925 - July 8m 1927
- continued -

Week ending	All classes and grades 5 markets 1926	All classes and grades 5 markets 1927	No. 2 hard winter Kansas City 1926	No. 2 hard winter Kansas City 1927	No. 1 dark no. spring Minneapolis 1926	No. 1 dark no. spring Minneapolis 1927	No. 2 amber durum Minneapolis 1926	No. 2 amber durum Minneapolis 1927	No. 2 (soft) red winter St. Louis 1926	No. 2 (soft) red winter St. Louis 1927
	Dols	Dols	Dols	Dols	Dols	Dols	Dols	Dols	Dols	Dols
May 20	1.55	1.43	1.55	1.39	1.64	1.53	1.48	1.54	1.62	1.39
27	1.56	1.48	1.52	1.45	1.64	1.59	1.45	1.61	1.55	1.46
June 3	1.52	1.51	1.47	1.49	1.62	1.61	1.48	1.61	1.49	1.51
10	1.63	1.49	1.64	1.45	1.73	1.59	1.54	1.58	1.56	1.50
17	1.60	1.50	1.59	1.45	1.72	1.58	1.53	1.59	1.48	1.51
24	1.52	1.49	1.57	1.44	1.63	1.57	1.43	1.54	1.46	1.51
July 1	1.39	1.44	1.32	1.40	1.63	1.53	1.46	1.51	1.37	1.47
8	1.40	1.44	1.31	1.41	1.75	1.58	1.52	1.56	1.39	1.47

Division of Statistical and Historical Research. Compiled from trade papers of markets specified.

WHEAT: Cash closing price per bushel at Minneapolis and Winnipeg, by weeks, July 2, 1925 - July 8, 1927

Week ending	Minneapolis No. 1 dark northern 1925	Minneapolis No. 1 dark northern 1926	Winnipeg No. 1 northern 1925	Winnipeg No. 1 northern 1926	Week ending	Minneapolis No. 1 dark northern 1926	Minneapolis No. 1 dark northern 1927	Winnipeg No. 1 northern 1926	Winnipeg No. 1 northern 1927
	Cents	Cents	Cents	Cents		Cents	Cents	Cents	Cents
July 2	157	159	160	152	Jan. 7	183	142	159	133
9	159	172	160	156	14	178	144	155	134
16	170	180	165	162	21	177	144	156	135
23	169	178	163	161	28	176	145	156	139
30	166	167	161	160	Feb. 4	178	144	160	140
Aug. 6	171	163	169	155	11	173	144	156	139
13	173	159	170	153	18	169	143	153	139
20	166	152	169	152	25	164	143	151	140
27	164	151	166	150	Mar. 4	163	142	145	143
Sept. 3	162	145	153	145	11	166	143	146	145
10	160	142	147	145	18	168	140	151	143
17	159	146	137	145	25	160	135	149	141
24	156	147	130	143	Apr. 1	161	137	152	143
Oct. 1	149	147	122	142	8	161	138	153	145
8	151	148	123	140	15	166	136	156	143
15	157	147	126	139	22	168	139	161	146
22	158	149	128	147	29	165	140	159	147
29	160	148	133	147	May 6	164	143	155	151
Nov. 5	160	146	135	145	13	162	147	154	153
12	160	145	136	145	20	160	148	153	153
19	164	140	141	140	27	162	154	155	161
26	167	140	150	139	June 3	159	156	151	164
Dec. 3	174	143	159	135	10	170	152	155	161
10	178	145	162	134	17	168	153	154	162
17	173	143	153	131	24	160	151	153	161
24	171	145	150	135	July 1	159	150	152	159
31	183	144	160	134	8	172	153	156	163

Division of Statistical and Historical Research. Compiled from Minneapolis Daily Market Record.

[illegible]
[illegible]

The European wheat market situation during June and early July

The active demand for wheat which has characterized European markets for several months continued during early June, according to a report from Agricultural Commissioner G. C. Haas at Berlin. During the rest of June and the first of July a distinct lessening of interest is reported from practically all continental markets, although a considerable volume of grain is still moving, particularly to the northern ports. The indications are that the very heavy overseas shipments toward Europe in recent months, which have been arriving in large volume, are finally beginning to catch up with requirements, as stocks are reported showing some tendency to accumulate in nearly all markets, and less wheat is being sold than some time ago. The present favorable European crop outlook is also influencing buyers although prices have remained fairly steady up to the present time. The trade is anticipating continued less active business in the next few weeks, but there are still large requirements that will have to be met from old crop, overseas wheat, as domestic supplies are practically exhausted everywhere and the new crop is generally from 2 to 3 weeks late. The belief of large requirements is supported by a slight improvement during the first week of July in Antwerp and a few other markets.

Some reports state that both France and Italy, which had done little buying in June, have accumulated supplies sufficient to cover requirements until the new crop becomes available, and that Germany and Central Europe have accumulated stocks, both as wheat and flour, to partially cover requirements till the new crop arrives. It is also pointed out that as long as crop prospects remain favorable, there is every incentive for European countries to postpone purchases as long as possible, and this consideration will influence buying in the next two months.

It should be noted in the case of Italy,however, that buying has increased again the last couple of weeks. Last year Italian imports during June and July were very large, even though the preceding wheat crop was the largest ever harvested in Italy, and the harvesting of the new crop was being finished at the time. The comparative stability of the lira in recent weeks is also more favorable for wheat importation. Statistically, France is still short of a large quantity of wheat. In the season 1923-24, which is the most comparable recent year, imports during June and July were very large. In Germany and Central Europe the fact that the new crop is still several weeks away, and that supplies of domestic grain are practically exhausted, will result in continued large buying, although requirements may be fairly well covered for the immediate future.

Germany

After a period of very active demand for foreign wheat over several months, German buying has slackened off since the first part of June. Reports indicate that the continued heavy shipments of oversea's grain have

finally resulted in arrivals greater than necessary for immediate requirements, with the result that stocks have begun to accumulate, and the taking capacity of the market has decreased. Millers as well as grain dealers are said to have amassed some stocks, and the former also report quieter business in flour. Actual, though possibly only temporary, congestion of grain at German ports is reported.

While these developments are not favorable from the standpoint of German demand in the immediate future, domestic grain prices have been well maintained and it appears that Germany still has large requirements that will have to be met by importation. Harvesting of the new crop will begin late, probably not until toward the end of July, and domestic supplies of the 1926 crop are practically exhausted, business in domestic wheat on the Berlin exchange being so limited in the last half of June that quotations are not available. German imports of wheat in recent months, moreover, while very large, have not been excessive, considering the requirements for bread grain as a whole. May imports of wheat and flour amounted to 10,214,647 bushels, as compared with 8,414,223 in April and 8,744,913 bushels in May, 1926. June importations are also expected to be high, in spite of the decreased buying activity, as arrivals continued large.

It appears that earlier estimates of a maximum apparent consumption this season of possibly 215,000,000 bushels will not be reached, but it is still probable that the minimum estimate of 183,000,000 bushels will be attained. This would mean imports during June and July of about 17,000,000 bushels of wheat. If weather conditions during July are unfavorable to this year's crop, or if it should be decided to increase the tariff at the expiration of the present provisional rates on July 31 (a possibility which is not now considered likely) then it is probable that German buying during July would be considerably increased. In any event, it is clear that there has been a large increase in wheat consumption this year, particularly when allowance is made for the difference in stocks at the end of this year as compared with last.

WHEAT: Balance for Germany, 1924-25 to 1926-27

Item	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels
Domestic production	89,199	118,213	95,442
Net imports, August-May			
Wheat	39,655	32,343	a/ 68,791
Wheat flour (as wheat)	20,616	5,269	a/ 2,003
Total production and import	149,470	155,825	166,236
Net imports, June-July			
Wheat	16,119	18,262	(17,000-
Wheat flour (as wheat)	2,829	876	25,000)
Apparent consumption	168,418	174,963	(183,000-191,000)

a/ Partly estimated for May.

Prices of grain in Germany, in spite of the decreased buying activity since the first part of June, have shown little uniform tendency during the past month. Domestic wheat at Breslau was quoted at 148.5 cents per bushel on June 27, as compared with 196.4 cents on May 23. Sales on the Berlin market have been few in the last half of June. The Hamburg price of domestic wheat on July 6 was 192.8 cents compared with 194.4 cents on June 23. The price of rye at Berlin, German imports of which rose to 2,913,000 bushels in May as compared with 2,401,000 bushels in April and 394,000 bushels in May last year, was at exactly the same level on June 27, as on May 23, viz. 164.0 cents per bushel. There has been a decline from quotations on June 13, when 170.0 cents was reached, to July 6 when spot prices were 156.7 cents. Some increases in deliveries of domestic rye is reported recently, but stocks of both rye and wheat in farmers' hands are now of little consequence.

WHEAT AND RYE: Prices in Germany, May 23-July 6, 1927
(In cents per bushel)

Market	May 23	June 2	June 13	June 27	July 6
	Cents	Cents	Cents	Cents	Cents
Breslau					
Wheat	196.4	197.7	197.7	193.8	-
Berlin					
Wheat	190.0	191.9	198.7	-	-
Rye	164.0	165.3	170.0	164.0	156.7
Hamburg					
Wheat	190.3	194.5	194.2	193.8	192.8

(Statement on crop conditions in Germany on page 19)

France and Italy

France and Italy are both reported as showing much less interest in overseas wheat during the last half of June, some statements indicating the accumulation of supplies large enough to cover requirements until the new crop becomes available. Judging from the "apparent consumption" of wheat in France in recent years, however, France still has some requirements for foreign wheat. In June and July 1924, at the end of a season fairly comparable to the present, imports were very large. Recent reports from English markets, moreover, indicate that France has bought a number of cargoes in the past few days. It still seems probable, therefore, that French imports during June and July will amount to 15,000,000 to 25,000,000 bushels, May takings having totaled 6,577,000 bushels.

WHEAT: Balance for France, 1923-24 to 1926-27

Item	1923-24	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Production	275,582	281,179	330,340	231,767
Imports:				
Aug-Jan......	26,838	24,535	35,031	19,159
Feb	1,998	1,441	895	7,912
March	2,244	1,191	557	7,258
April	2,851	1,221	631	8,308
May	5,811	702	423	6,577
Total	315,324	310,277	367,877	280,977
June-July	15,676	4,259	2,016	(15,000 - 25,000)
"Apparent Consumption"	331,000	314,536	369,893	(295,000-305,000)

Less interest in wheat recently on the part of Italian buyers is doubtless due to the approach of the new crop, harvest already being well under way in Southern and Central Italy. It would be very unusual, however, if Italian importations of wheat during June and July are not large, as imports during these months last year, following Italy's record 1925 wheat crop, amounted to 16,726,000 bushels. Considering the favorable outlook for this year's crop, it seems likely, therefore, in spite of reports of recent accumulation of stocks, that Italian takings during June and July will be sufficient to bring apparent consumption for the season up to the 301,000,000 to 309,000,000 bushels previously estimated. This would mean imports between 9,000,000 and 17,000,000 bushels, the latter an amount equal to last year's takings in these months.

Reports from both France and Italy indicate that the new crop of wheat will be a satisfactory one and probably somewhat above average. France has had sufficient rainfall this year and the crop has suffered only local damage in the northern, eastern and central sections, although cool weather has somewhat delayed progress. Cutting will soon start in southern France. The "Bulletin des Halles", under date of June 22, states that "altogether cereals and fodder throughout are considered favorable and even if no exceptional harvest can be looked for, results promise to be abundant enough to meet home requirements". This view that the crop will meet home requirements seems over optimistic.

The final outturn in Italy is expected to be not much below last year's good production. Prospects in the northern part of the country are for a good crop, and in Central Italy an outturn about equal to last

year's seems assured. In Southern Italy and Sicily, however, yields are reported unsatisfactory in consequence of drought, although the quality is fairly satisfactory. Cutting is general in Southern and Central Italy and some new crop wheat has already been marketed.

WHEAT: Balance for Italy, 1924-25 to 1926-27

Item	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels
Production	170,144	240,844	220,642
Imports:			
Aug-Feb	46,994	26,432	41,045
March	10,782	7,026	10,093
April	13,399	8,670	8,050
May	11,559	10,689	11,684
Total	252,878	293,661	291,514
June-July	11,842	16,726	(9,000-17,000)
"Apparent Consumption"	264,720	310,387	(301,000-309,000)

Danube Basin

Better moisture conditions and warmer weather have brought about further improvement in the crop outlook throughout the Danube Basin during June, and reports during the latter half of the month from Rumania, Hungary, Bulgaria, Yugoslavia, Austria and Czechoslovakia, indicate that the wheat crop will probably be considerably above average in this region. Rye, however, is less promising and may yield only about an average crop. The favorable crop outlook has resulted in some recent increase in marketing of old crop grain in some countries, particularly in Rumania.

Anxiety about the Rumanian crop as the result of warmth and excessive dryness at the beginning of June, has now entirely disappeared. Good rains accompanied by intervals of warm, bright weather have occurred throughout June and prospects have greatly improved, although recent violent rains are said to have done some damage in Bessarabia. The condition of the crop ranges from average to excellent, and for the country as a whole is between "above average" and good. Scarcely any delay in harvesting is now anticipated. Trade reports state that wheat is expected to yield 14 to 17 bushels per acre and that the quality will be good. Cabled reports since that time are not quite so favorable. The barley crop is also expected to be of fair size and good quality. Corn is progressing satisfactorily. Stocks of last year's corn, however, are still of considerable size.

Prospects for the new wheat crop in Hungary seem to be fully as favorable as in Rumania, reports in the past two weeks indicating that the condition is considerably above average. The July 8 official estimate, just announced, is for a crop of 73,119,000 bushels or above last year's estimate of the same date and nearly equal to last year's crop which was above average. Rye, however, has been reported only about average in condition and the government has just estimated the crop at 22,558,000 bushels as compared with 29,329,000 on the same date last year.

Prospects for wheat in Bulgaria are also good, with good rains and warm weather during much of June. The barley harvest began during the week of June 25 and early reports indicate good yields. Prospects in Yugoslavia are less favorable than in the lower part of the Basin, although there has been recent improvement. The wheat crop is estimated to be about average or slightly above, growth being somewhat thin in some sections. Wheat is average to above average in Austria, with weather conditions favorable in recent weeks. Wheat, barley and oats production is expected to be higher than last year, but the rye returns will probably be smaller.

Czechoslovakia and Poland

The condition of crops in Poland and parts of Czechoslovakia seems to be slightly less favorable than in Germany or the Danube Basin, although many reports indicate the condition as average or above. The weather has been wet and cool over much of this area and rye has suffered considerably. Rye is especially important for Poland. Wheat is materially better than rye, however, and, as stated above, appears to be better than average. Weather developments in this region during the next few weeks will have an important bearing on final returns. Cable reports of the official estimates, recently received, on the other hand, place the wheat crop slightly above that of last year and the rye crop a sixth above last year.

Poland continues a large importer of grain. Wheat imports in May amounted to 2,352,000 bushels as compared with 1,653,000 bushels in April, and rye imports in May amounted to 1,269,000 bushels as compared with 197,000 bushels in April. All indications point to further large imports before the new crop is available.

Crop conditions in Germany

Crop conditions in Germany on the first of July were officially estimated to be somewhat above average for wheat but only about average in the case of rye, the condition being relatively better in southern Germany than in the northern part. For both wheat and rye, conditions are about the same as they were at this time last year. Warmth and sunshine are much needed over all northern Germany in the next few weeks and the final outturn of crops will depend much on the weather conditions in the immediate future. For Germany as a whole, however, the outlook is favorable and a crop above average is expected, although harvest is from two to three weeks late, and probably will not begin before July 25.

WHEAT: Production in specified countries a/

Country	Average b/ 1909-13	1924	1925	1926	1927 Prel. forecasts & estimate
NORTHERN HEMISPHERE	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu
NORTH AMERICA					
Canada	197,119	262,097	411,376	405,814	325,075
United States	690,108	864,428	676,429	832,305	853,634
Mexico	d/ 11,481	10,357	9,440	10,244	11,108
Total	898,708	1,136,882	1,097,245	1,248,363	1,189,817
EUROPE					
United Kingdom:					
England & Wales	55,770	50,885	50,773	49,504	(49,000)
Scotland	2,273	1,829	2,016	2,091	(2,000)
Ireland	1,597	1,192	880	1,381	(1,300)
Sweden	8,103	6,800	13,791	12,363	(12,000)
Denmark	6,322	5,864	9,784	8,818	(9,000)
Netherlands	4,976	4,706	5,743	4,813	(5,989)
Belgium	15,199	13,004	14,477	12,228	14,293
France	325,644	281,179	330,340	231,767	i/275,000
Spain	130,446	121,778	162,591	146,600	143,000
Portugal	f/ 11,850	10,534	11,478	8,418	(8,000)
Italy	184,393	170,144	240,844	220,642	(220,000)
Switzerland	3,314	3,122	3,516	5,622	(5,500)
Germany	131,274	89,199	118,213	95,422	j/(116,000)
Austria	12,813	8,490	10,671	9,975	(10,000)
Czechoslovakia	37,879	32,238	39,309	35,673	(37,000)
Hungary	71,493	51,568	71,674	74,909	73,119
Yugoslavia	62,024	57,770	78,646	71,421	(73,000)
Greece	f/ 16,273	8,252	14,190	11,159	(13,000)
Bulgaria	37,823	24,698	49,643	41,064	44,753
Rumania	d/ 158,672	70,420	104,741	110,891	108,000
Poland	63,675	32,497	57,915	47,080	47,250
Lithuania	3,264	3,319	5,285	4,335	(5,000)
Minor European countries g/	3,093	3,990	5,202	4,947	(5,000)
Russia, European	607,828	246,927	h/ 463,106	590,234	(590,000)
Total above countries ex.Russia	1,351,170	1,053,478	1,401,722	1,211,123	1,277,000
in.Russia	1,955,998	1,300,405	1,864,828	1,801,357	1,867,000
AFRICA					
Morocco	(17,000)	28,660	23,883	16,174	24,434
Algeria	35,161	17,156	32,670	23,551	(20,000)
Tunis	6,224	5,181	11,758	13,044	(5,512)
Egypt	33,662	34,186	36,247	37,207	(38,000)
Total	92,047	85,183	104,558	89,976	88,000

continued

WHEAT: production in specified countries a/, continued

Country	Average b/ 1909-13	1924	1925	1926	1927 Prel. forecasts & estimate
	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu
ASIA					
India	351,841	360,640	330,997	324,949	330,400
Russia (Asiatic)	151,113	134,814	h/ 171,894	219,415	(219,000)
Japan	25,088	26,967	29,541	28,417	(28,000)
Chosen	6,898	10,289	10,509	10,243	9,994
Total above ex. Russia	383,827	397,896	371,047	369,475	368,000
in. Russia ...	534,940	532,710	542,941	588,475	587,000
Est. N.Hemis.total: ex.Russia & China	3,518,000	2,735,000	3,037,000	2,976,000	2,920,000
in.Russia ex. "	4,277,000	3,117,000	3,672,000	3,785,000	3,730,000
SOUTHERN HEMISPHERE:					
Chile	20,062	24,470	27,469	23,286	
Uruguay	6,517	9,908	10,024	10,108	
Argentina	147,059	191,138	191,140	220,827	drought
Union of S. Africa	6,034	7,144	8,333	8,502	
Australia	90,497	164,559	113,443	160,858	drought
New Zealand	6,925	5,448	4,617	7,496	
Total	277,094	402,667	355,026	431,077	
Est.S.Hemis.total	281,000	410,000	362,000	438,000	
Est. world total ex.Russia& China	3,041,000	3,145,000	3,400,000	3,414,000	
in.Russia ex. "	3,800,000	3,527,000	4,035,000	4,224,000	

Division of Statistical and Historical Research.

a/ Figures refer to the calendar year in the Northern Hemisphere and the succeeding harvest in the Southern Hemisphere. b/ Where changes in boundary have occurred as a result of the world war estimates have been adjusted to correspond with area within post war boundaries. d/ 4 year average. e/ 3 year average. f/ One year only. g/ Includes Norway, Luxemburg, Latvia, Esthonia, Finland and Malta. h/ Revised estimate for all Russia distributed between European and Asiatic territory in the same ratio as the preliminary estimate. i/ Forecast on the basis of a correlation of conditions of the crop on May 1 with yields for the past 24 years. j/ Forecast on the basis of a correlation of conditions of the crop on June 1 with yields for 25 years, assuming that acreage this year is slightly above 1926, and taking into consideration the deterioration during June.

WHEAT: World production

(Million bushels - i. e. 000,000 omitted)

Year	Estimated world production excluding Russia	Total Europe excluding Russia	Russia: Production a/	Russia: Export	France	Italy	India	Argentina	Australia	Canada	United States
Averages -											
1894-1898	2,203	1,037	400	130	346	122	240	59	27	--	602
1899-1903	2,456	1,158	507	105	339	164	249	93	43	--	683
1904-1908	2,673	1,211	609	126	332	184	302	158	59	--	673
1909-1913	2,966	1,275	815	165	317	183	352	147	90	197	690
1914-1918	2,906	979	b/704	--	215	168	353	167	109	248	411
1919-1923	3,143	1,073	b/254	--	253	179	329	202	111	326	856
Annual -											
1921	3,169	1,216	205	--	323	193	250	191	129	301	815
1922	3,225	1,044	243	--	243	162	367	196	109	400	868
1923	3,551	1,257	249	21	276	225	372	248	125	474	797
1924	3,145	1,053	382	c/	281	170	361	191	165	262	864
1925	3,400	1,402	713	27	331	241	331	191	107	411	676
1926	3,414	1,211	810	35	232	221	325	221	161	410	832
1927	---	d/ 1,277		--	e/ 275	f/(220)	330	--	--	325	854

a/ Includes all Russian territory reporting for years named.
b/ Four-year average.
c/ Less than 500,000 bushels.
d/ Rough preliminary forecast on the basis of acreage and condition reports and production estimates.
e/ Estimated on May 1 condition.
f/ Rough estimate.

- - - - - - -

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-2

August 18, 1927.

FOREIGN NEWS ON WHEAT

- - - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS BASED ON REPORTS TO AUGUST 15, 1927

Reports continue to indicate that the world's wheat crop is likely to be about the same as last year. The northern hemisphere crop, exclusive of Russia, may be about from 50 to 100 million bushels greater than last year, but the southern hemisphere may produce about this much less than last year. Condition reports and estimates received to date indicate a crop in the northern hemisphere about 60 million bushels above last year. This figure may be raised later by an increase in the Canadian estimates. The total estimates of production in 23 countries reporting to date, including a statistical estimate from France, amounts to 2,508 million bushels compared with 2,475 million bushels produced in the same countries last year.

Should conditions in Canada continue favorable, the Canadian outturn will probably be larger than the August forecast. The August forecast has been revised upward in five out of the past six years. There remains do danger of drought but frost and rust may prevent the Canadian crop equaling last year's crop.

The European crop outside of Russia seems likely to be about 60 million bushels greater than last year. An element of uncertainty in the European situation is the recent storm damage in northern and northwestern Europe which has not yet been evaluated. This damage appears to have been heaviest in France. Changes in the condition of the growing crop between now and the close of the harvest in the north and revisions in the estimates of countries already reporting, may change the European situation. The increase in the European crop is largely in the north and west where there is the most uncertainty. The wheat crop of the Danube Basin and of southwestern Europe will be smaller than last year.

The Russian crop is still uncertain. Although the wheat crop has suffered from drought in some districts, in others conditions are generally reported to be favorable for average or better than an average crop. A careful analysis has been made of reports as to increases in area and conditions in the several different regions of Russia which has led to the conclusion that the Russian wheat crop will not be any larger and may not be quite as large as last year.

Conditions appear to continue favorable for the development of the wheat crop in Argentina but are still critical in parts of Australia. There has been some improvement in South Australia but conditions are still critical in parts of New South Wales, the most important producing state.

Wheat Prices

Considering prospective world supplies and present indications as to demand, it seems that the average price of all classes and grades of wheat in the United States may not go much below the present level this year and are likely to go higher after the heavy marketing season unless there should be a considerable decline in the general price level. In the case of winter wheat in the next few weeks, prices are likely to be maintained with an upward tendency while spring wheat prices may fall to somewhat lower levels on account of new wheat receipts. The average farm price of wheat, as of the middle of July, was $1.27 as compared with $1.30 in the middle of June. The market price continued to decline as expected from July to the middle of August. The average cash price of all classes and grades at five markets declined from $1.43 as of the middle of July to $1.34 the first week in August.

Prices in the United States started in July slightly above prices of July 1926 but have now fallen below last year's level. Last year the average price of all classes and grades of wheat in four primary markets reached a low point of $1.34 for the week ending August 19 and came back to this level in September and February not to fall below it until April after which there was a rise to the highest level in the season, the latter part of June. The weak points in last year's course of prices were caused by rapid increases in freight rates early in the season, heavier shipments than expected from Russia and large crops with heavy shipments from the southern hemisphere. It now seems probable that Russian exports will be no greater than last year, if as large, and that the southern hemisphere will not produce as much as last year. Other factors, of course, may cause fluctuations in the course of the market for the year but there is at present every reason to believe that prices will be maintained at least on the par with last year and equal to or above the present level.

The averages of wheat prices in the United States for the years ending June, 1926 and 1927 are as follows:

	Year ending June, 1926	Year ending June, 1927
Price to producers.............	1.46	1.23(preliminary)
No. 1 Dark Northern, Mnpls.....	1.65	1.51
No. 2 Red Winter, Chicago	1.64	1.38
No. 2 Hard Winter, Kansas City	1.63	1.35
No. 2 Amber Durum, Mnpls.	1.44	1.55

The great difference in the two years is due primarily to the fact that in the 1925-26 season all classes of wheat except durum were practically on a protected domestic market basis for a part of the year and last year they were all on an export world market basis. Next year the price to producers and the market price of all these wheats, excepting possibly No. 2 Red Winter, for part of the year will probably be upon an export basis in relation to world markets.

Wheat Price Changes in the United States and Canada

While the average price of wheat in the United States for the season just closed was considerably below that of the previous season, the average price of wheat in Canada for the season now closing has been about the same as that for the season which closed August 31, 1926. In the table below the prices of wheat in the United States and in Canada are compared with respect to year to year change in the past four years. The price quoted for United States wheat is the weighted average price in the four leading markets for all classes and grades while the Canadian price is for No. 1 Northern Spring at Winnipeg, basis Fort William. The prices are thus not comparable as to grades, but they do show clearly the differences in price change from year to year.

WHEAT: Prices in the United States and Canada, Seasons
1923-24 to 1926-27

Marketing season	United States average from markets	Canadian price No. 1 northern	Price change from preceding year: United States	Price change from preceding year: Canada
	Cents per bu.	Cents per bu.	Cents per bu.	Cents per bu.
1923-24	108	100		
1924-25	146	166	+ 38	+ 66
1925-26	159	143	+ 13	- 23
1926-27	139	142	- 20	- 1

The weighted average price of No. 1 Northern Spring Wheat at Winnipeg, basis Fort William for the season ending August 31, 1927 was $1.42, according to computations made in the United States Bureau of Agricultural Economics. This price compared with an average price of 142-3/4 cents for the 1925-26 season, $1.66 for 1924-25 and $1.00 for the season 1923-24. This price is the average of the weekly average of daily closing prices of No. 1 Northern weighted by the weekly figures of country elevator receipts and platform loadings for the corresponding weeks.

The weighted average prices for the 1924 and 1925 crops are remarkably close to the payments made to the members of the wheat pools by the central selling agency for the same years. For the 1925 crop the pool payments totaled $1.45 and for the 1924 crop $1.65. These payments were subject to deductions for elevator reserve and administrative expenses so that the net payment to the Manitoba pool members for the 1925 crop was $1.43, to the Saskatchewan members $1.41½. When it is considered that the deductions for elevator reserve are in a sense additions to capital it is apparent that all pool members received for the crop slightly more than the weighted average price for all sales.

The United States has more wheat for export

On the basis of the August production estimate, the probable net export of wheat including wheat flour from the United States is estimated at 220,000,000 - 240,000,000 bushels for the season July 1, 1927 to June 30, 1928. Taking into account the size of the present crops and stocks on farms, in country mills and elevators, in central markets and merchant mills, the total supply for all uses promises to be 45,000,000 bushels greater than last year's supply, which amounted to 930,000,000 of domestic wheat and 13,000,000 bushels imported from Canada. About two-thirds of this additional supply may go into export trade.

Out of last year's total estimated supply of 943,000,000 bushels there was an accounted for disposition of 805,000,000 bushels for milling, wheat grain exports and seed, and 124,000,000 bushels retained as carry over, leaving an unaccounted for disposition for feed and other uses of about 14,000,000 bushels. Total millings amounted to 564,000,000, seed 85,000,000 bushels, and wheat grain exports 156,000,000 bushels. Of the mill grindings 65,000,000 went into export trade, making a gross export of 217,000,000 bushels and a net export of 204,000,000 bushels. From present indications this year's exports should exceed last year's by around 30,000,000 bushels, assuming no increase in carry over.

This conclusion is obvious from the following: The total supply for this year, excluding probable imports from Canada, appears to be 975,000,000 bushels. The additional supply of 45,000,000 bushels may be disposed of in several ways (1) into export trade, (2) domestic flour consumption, (3) feed and seed, and (4) increase in carry over. The annual variations in domestic consumption of flour and seed are not great. During the past two years, 1925-26 and 1926-27, our flour consumption amounted to respectively 509,000,000 and 505,000,000 bushels. This represents a slight decline in per capita wheat flour consumption from 4.4 million bushels in 1925-26 to 4.3 million in 1926-27. Wheat used for seed during the past two years amounted to 83,000,000 and 85,000,000 bushels. Consumption for feed and unaccounted for uses varies more, having been 18,000,000 in 1925-26 and 14,000,000 in 1926-27. This item may, as a result of high-price corn, increase to 25,000,000 bushels, but even such an increase, including the slight increase in flour and seed consumption, would account for only 15,000,000 of the additional supply of 45,000,000 bushels, leaving about 30,000,000 bushels additional available for export or for an increase in carry over. Whether the export trade will take all of this additional supply will, of course, depend upon the supply situation in foreign countries and the domestic price situation.

WHEAT: Supply and distribution in the United States, 1925-1927

Item	Year beginning July 1		
	1925	1926	1927
	Million bushels	Million bushels	Million bushels
Supply:			
Stocks on farms July 1	29	21	27
Country mills and elevators	25	29	22
Commercial visible (Bradstreets)	29	16	26
In merchant mills and elevators a/	22	25	37
In transit a/	9	7	12
Imports (grain only)	16	13	–
Production	676	832	851
Total supply	806	943	975
Distribution:			
Exports (grain only)	63	156	
Mill grindings (merchant mills) a/	534	554	
Mill grindings (custom and small mills)	10	10	
Seed requirements	83	85	
Disappearance unaccounted for b/	18	14	
Total disappearance	708	819	
Carry over (including wheat of merchant mills in transit)	98	124	

a/ Census raised by the Census Bureau, Department of Commerce, to represent all merchant mills. b/ Difference between total disappearance and sum of first four items under distribution.

WHEAT FLOUR: Supply, distribution and per capita consumption in terms of wheat, 1925-1927

Item	Year beginning July 1		
	1925	1926	1927
	Million bushels	Million bushels	Million bushels
Supply:			
Stocks, July 1 (commercial) a/	17	16	18
Visible b/	9	10	9
Mill grindings (commercial mills) a/	534	554	–
Mill grindings (custom and small mills)	10	10	–
Imports	–	–	–
Total available supply	570	590	
Accounted for:			
Shipments to Alaska, Hawaii, Porto Rico	2	3	
Exports	43	63	
Stocks, June 30 (commercial) a/	16	18	
Visible b/	10	9	
Total accounted for	71	93	
Available for consumption	499	497	
Population, January 1 (millions)	116.3	117.9	
Per capita consumption (bushels)	4.29	4.21	

a/ Compiled from U.S. Census estimate. Estimated to represent all merchant mills.
b/ Chicago Board of Trade as published in the Chicago Daily Trade Bulletin.

There is submitted on the following page rough estimates of probable wheat exports by classes. These estimates are based upon estimates of production by classes and export inspections for the past five years.

An analysis of the August estimate of winter and spring wheats on the basis of reports as to varieties of spring and winter wheats grown in 1924 indicates that the soft red winter wheat crop will be about the same as in 1925 but that the production of all other classes will be considerably above the production of that year. As in 1925 some of the soft red winter wheat, particularly that east of thr Allegheny Mountains and west of the Rockies, will probably be exported. In considering probable exports of hard red spring wheat allowance must be made for imports of Canadian duty paid and in bond, which in the past year amounted to about 13,000,000 bushels. It is also assumed that in the past year hard red winter wheat was used to some extent as a substitute for hard red spring where the latter ordinarily would have been used. Furthermore, farm stocks of spring wheat in the Northwest were at a fairly low level at the beginning of the year. It is considered, therefore, that some part of the indicated increase in the hard red spring wheat crop as compared with last year may be used to increase stocks and to replace to some extent last year's use of hard red winter wheat. The increase of nearly 60,000,000 bushels over last year may, therefore, provide only 25,000,000 to 30,000,000 bushels for export. It is assumed, on the other hand, that there may not be any increase in farm carry over of hard red winter wheat and that the larger crop of hard red spring wheat will reduce the consumption of hard winter so that the indicated reduction of nearly 40,000,000 bushels in the crop of hard red winter wheat may cause but little if any reduction in the exports of that wheat. Adding together the range figures of the several classes gives a range of 150,000,000 to 190,000,000 bushels as a total export of grain. A more probable range is 160,000,000 to 175,000,000 bushels. Including flour it is estimated that net exports in terms of wheat are likely to be between 220,000,000 and 240,000,000 bushels.

WHEAT: Production and exports by classes, United States, 1925-1927 and forecasts for the year 1927-28

Class	Production a/			Exports b/		
	1925	1926	August forecast 1927	1925	1926	August forecast 1927
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Hard red winter	206	361	320	11	75	65 - 75
Soft red winter	170	227	176	3	30	5 - 10
Hard red spring	156	122	180	3	2	25 - 35
Durum	65	49	c/ 84	c/ 27	22	35 - 45
White	73	89	90	16	26	20 - 25
Total	676	832	851	60	155	150 -190
Wheat exports unaccounted for in classification ...				3	1	
Exports of flour as wheat				43	63	60 - 70
Total exports				106	219	
Imports				16	13	
Net exports				90	206	220 -240

a/ Estimates of production by classes are made by subdividing winter and sprin state estimates according to indications of a survey of wheat varieties grown 1924. b/ Inspections for export from U.S. seaboard and Canadian inspections o U.S. wheat. c/ Crop estimates of four states plus 1924 indications in other states. Exports include allowance for Durum in wheat inspected as mixed.

The Durum Wheat Market in Italy

Italy will probably be in the market for more Durum wheat this year th last. Notwithstanding the great efforts of the Italian Government to produce more wheat, reports to date indicate that this year's crop is likely to be so what less than last year. Of great significance to our Durum wheat growers a the reports that yields in southern Italy, where the hard wheat is grown, are low. In the past five years Italy has imported from 16,000,000 to 24,000,000 bushels of Durum wheat. The reports of short crops in southern Italy, theref indicate that Italy may buy this year from 20,000,000 to 25,000,000 bushels a possibly a little more. In 1913 Italy purchased 29,000,000 bushels of Durum wheat but she had at that time an export trade of the products of Durum wheat and much of that trade has been lost.

Italy will probably buy a large proportion of her Durum wheat needs fro the United States. The North African production finds a protected market in France and most if not all of it will probably be consumed there. Russia, whi furnished the bulk of this wheat before the war, has provided less than two million bushels in the past two years, nearly all of the remainder being provid by the United States and Canada. According to Italian import figures, in the ten months ending April, the last month for which we have import data, 9,000, out of 17,000,000 bushels is credited to the United States and 5,000,000 to Canada. It is probable, however, that part of this 5,000,000 bushels credited to Canada is wheat from the United States, shipped through Canada. The United States is likewise furnishing a large proportion of the soft wheats imported l Italy. In furnishing this wheat Australia and Argentina are her principal co petitors. The sources of Italian imports of both hard and soft wheat are sho in the following table.

ITALY: Imports of wheat by countries, and kinds, year ended June 30, 1925 and 1926 and ten months, July-April, 1926 and 1927

Country from which imported	Year ended June 30					
	1925			1926		
	Hard wheat	Soft wheat	Total wheat	Hard wheat	Soft wheat	Total wheat
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	9,411	43,855	53,266	7,708	23,283	30,992
Canada	7,051	8,717	15,768	5,322	2,741	8,063
Australia	---	15,512	15,512	---	5,690	5,690
Argentina	605	14,108	14,713	64	9,129	9,193
British India	---	961	961	--	101	101
Russia, excl. Ukraine	37	165	202	1,612	475	2,087
Ukraine	112	4	115	44	153	197
Yugoslavia	---	171	171	--	1,793	1,793
Rumania	---	69	69	--	2,447	2,447
Tunis	30	--	30	2	--	2
Morocco	0	0	0	59	--	59
Other countries	444	263	708	1,238	4,324	5,561
Total	17,690	83,825	101,515	16,049	50,136	66,185
Wheat flour in terms of wheat a/			613			144
Wheat, incl. flour			102,128			66,329

ITALY: Imports of wheat by countries, ten months, July-April, 1925-1926 and 1926-1927

Country from which imported	July-April					
	1925-26			1926-27		
	Hard wheat	Soft wheat	Total wheat	Hard wheat	Soft wheat	Total wheat
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	5,749	17,122	22,871	5,486	26,668	32,154
Canada	4,691	2,378	7,069	9,353	4,216	13,569
Australia	---	3,433	3,433	--	5,973	5,973
Argentina	63	4,237	4,300	63	7,417	7,480
British India	--	101	101	--	35	35
Russia, excl. Ukraine	1,061	360	1,421	1,826	2,856	4,682
Ukraine	36	86	123	52	769	821
Yugoslavia	--	1,425	1,425	--	1,066	1,066
Rumania	--	1,221	1,221	--	2,441	2,441
Tunis	--	--	--	1	--	1
Morocco	52	--	52	8	--	8
Hungary	--	b/ 365	b/ 365	--	c/ 404	c/ 404
Other countries	1,120	3,396	4,515	230	1,779	2,010
Total	12,772	34,124	46,396	17,019	53,624	70,644
Wheat flour in terms of wheat a/			106			78
Wheat, incl. flour			47,002			70,721

a/ Wheat flour not reported by countries. b/ Four months, January-April, 1926.
c/ Four months, January-April, 1927. Not separately listed before that time.

UNITED STATES: Inspections of durum wheat for export

Month	In eastern division of Canada 1925-26	In eastern division of Canada 1926-27	In United States a/ 1925-26	In United States a/ 1926-27	Total 1925-26	Total 1926-27
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	1,776	1,601	511	67	2,287	1,668
August	1,817	619	87	14	1,904	633
September	1,745	1,602	268	57	2,013	1,659
October	2,456	3,345	420	272	2,876	3,617
November	3,220	3,942	420	68	3,640	4,010
December	1,337	2,498	271	57	1,608	2,555
January	497	2,813	279	20	776	2,833
February	965	834	53	--	1,018	834
March	952	980	300	12	1,252	992
April	210	71	1,122	36	1,332	107
May	4,166	245	329	8	4,495	253
June	3,758	835	110	--	3,868	835
Total	22,899	19,385	4,170	611	27,069	19,996

Compiled in Division of Statistical and Historical Research from records of the Grain Division and from Canadian Grain Statistics issued by Dominion Bureau of Statistics, Internal Trade Branch.

a/ Does not include durum in wheat classified as mixed.

CANADA: Inspections of durum a/ wheat in the Western Grain Inspection Division of Canada, 1925-26 and 1926-27

Month	1925-26	1926-27
	1,000 bushels	1,000 bushels
July	153	119
August	30	48
September	2,592	2,453
October	1,292	4,399
November	1,688	2,757
December	1,026	1,156
January	196	553
February	81	575
March	19	454
April	126	125
May	192	290
June	117	118
Total	7,512	13,047

Compiled from Canadian Grain Statistics.

a/ Includes a small amount of mixed wheat.

THE CONTINENTAL EUROPEAN WHEAT SITUATION DURING JULY

European demand for wheat during July, especially in the northern European markets, has shown some improvement during the latter part of the month, following the period of slower buying which set in around the middle of June, according to a report from Acting Agricultural Commissioner Steere. a/ Buying has not become active but with arrivals running considerably lower than in June consumptive demand has been of sufficient volume and steady enough to make a considerable impression on the stocks which piled up at port markets during June. The trade now states that stocks are no longer large, and it is apparent, with stocks again declining when buyers generally are following a hand-to-mouth policy, that the new crop year will begin on August 1 with European stocks of old crop wheat, both overseas and domestic grain, at a low level. Flour stocks are also lower. Good buying of overseas wheat was maintained the first week in August.

The failure of crops over most of Northern Europe to make up any of the one to three weeks delay in progress is a factor in current buying, and also points to some further buying in the immediate future to cover requirements that would ordinarily be supplied, at least partially, by domestic grain. The crop delay also explains the relatively greater activity in northern European markets, principally Germany and Belgium, although Italy has been reported a good buyer during the month. Italy is buying foreign wheat in spite of the fact that domestic new crop wheat is now on the market. Trading is more quiet in Hungary, Austria and Czechoslovakia due to the satisfactory harvest.

In spite of a probable smaller wheat crop in the Danube Basin than last year it continues to appear that the wheat crop in Continental Europe, outside of Russia, will be larger than last year, but there is still considerable uncertainty as to the outturn in the deficit countries of Western and Northern Europe. France and Germany have experienced numerous heavy rains and cloudbursts during the last half of July, which, in the case of France, are reported to have caused lodging nearly everywhere, and in Germany the flooding of low lying fields over large sections of the central and northern regions. Reports from France vary greatly as to the extent of damage, apparently there has been extensive local damage at least, but in Germany opinion seems to indicate that low lying fields will suffer considerable damage, others no significant injury. Rumanian reports are also slightly less favorable as to outturn in view of less satisfactory reports from Bessarabia and Moldavia.

---

a/ Report of July 28, 1927, supplemented by cable of August 9.

The size of the Russian crop will depend largely upon what happens to spring wheat. The winter wheat crop is average and above average in practically all sections, in Central Russia probably better than last year. Spring wheat, however, has been reported below average in condition over a large section of the spring wheat belt, as a result chiefly of drought. Barring early favorable developments, it is difficult to see how the Russian crop will be more than average in size.

The conclusions as to the coming crop year which can be drawn from the information available up to the present time are that Russia seems likely to export but little if any more wheat than last year and maybe less. The Danube Basin as a whole appears to have a surplus not far from that of last season, although there is some possibility of changes in estimates as the season progresses; the western European deficit countries appear to have slightly larger crops than last year and their requirements of foreign wheat, therefore, promise to be somewhat smaller during the coming campaign than in 1926-27. There is still time, however, for the crop outlook in northern and western European countries to change. Italy promises to have requirements fully equal to those of last year and seems likely to require more durum wheat than a year ago. The French crop was unofficially estimated some time ago at 10-12 per cent above last year, but it has since suffered damage, and some trade reports think the deficit may not be much different from last year's. Germany's probable requirements are as yet uncertain, but seem likely to be smaller than during the past campaign. Requirements of other northern European countries also promise to be slightly smaller than last year.

GERMANY

German imports of wheat during June were the largest of any month of the 1926-27 campaign except August when imports were influenced by the increase of tariff rates. While buying was quieter during the last half of June and early July it is expected, nevertheless, that July figures will also be high, although possibly not as large as last year. In any event, the apparent consumption of wheat in Germany this year will be above 184 million bushels, more than 10 million bushels greater than the consumption of the previous season following the large harvest in 1925. The trade, almost without exception, gives credit for this large consumption to the rapid improvement in German economic conditions within the past year. German buying of foreign wheat was somewhat quieter during the first few days of August.

WHEAT BALANCE FOR GERMANY

Item	1924-25	1925-26	1926-27
	1,000 bu.	1,000 bu.	1,000 bu.
Domestic Production	89,199	118,213	95,422
Net Import Aug.-May			
Wheat	39,655	32,343	69,067
Wheat flour (as wheat)	20,615	5,270	1,996
Net Import June			
Wheat	6,702	6,892	10,362
Wheat flour (as wheat)	1,297	249	25
Net Import July			
Wheat	9,417	11,371	6,600
Wheat flour (as wheat)	1,532	627	11,000
Apparent Consumption	168,417	174,965	184,000 - 188,000

WHEAT AND RYE PRICES IN GERMANY

(Cents per bushel)

Item	June 27	July 4	July 11	July 18	July 21	Aug. 5
Hamburg Wheat	193.8	190.5	184.4	182.7	182.7	182.1
Breslau Wheat	193.8	193.8	184.0	177.6	177.6	176.3
Berlin Rye	164.0	159.7	154.9	153.7	151.9	132.5

The German grain duty of 5 Marks per metric ton, equivalent to 3.02 cents per bushel for rye and 3.24 cents for wheat, was prolonged for two years from June 30.

DANUBE BASIN

Reports from the Danube Basin indicate that the market for wheat has been comparatively quiet during July, with requirements fairly well covered by overseas wheat in the deficit areas, with old crop stocks practically exhausted, and offers of new crop wheat being held for prices

unattractive to foreign buyers.

While definite estimates of the crop outturn in most countries of the Danube Basin are still unavailable, it now appears that the wheat crop will not be above average in the region as a whole. Markets in the Danube Basin, Czechoslovakia and Austria are more quiet with the arrival of new crop wheat on the market. Yields are proving smaller than expected in Yugoslavia with the result that the crop now seems to be slightly below average, and reports from Rumania also indicate below average outturn in Bessarabia and Moldavia, a fact which, in conjunction with the reduced acreage, is expected to result in a crop below last year's. Reports as to production in both Hungary and Austria have improved steadily during the month, the Bulgarian crop is good, the Czechoslovakian above average, and information as to the quality of the wheat crop is favorable from practically all parts of the Danube Basin.

The rye crop in the Danube Valley, on the whole, now promises to be somewhat smaller than last year, mainly because of the smaller Hungarian crop. The Rumanian corn crop is reported to be suffering from drought, also there is considerable variation in its condition. The Bulgarian and Yugoslavian corn crops are also in need of rain.

FRANCE

The French wheat market has been comparatively quiet during July, to some extent apparently because of previous purchases and some accumulation of stocks, as well as not entirely satisfactory flour business. Actual imports during June and July, however, are expected to prove large.

WHEAT BALANCE FOR FRANCE

Item	1923-24	1924-25	1925-26	1926-27
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Production	275,582	282,352	329,096	248,619
Imports: Wheat				
Aug.-Jan.	26,838	24,535	35,031	19,159
February	1,998	1,440	895	7,912
March	2,244	1,198	557	7,258
April	2,850	1,221	631	8,308
May	5,810	702	425	6,577
June	8,127	1,882	887	6,577
Total	323,449	313,330	367,522	304,410
Imports: Wheat				
July	7,549	2,377	1,130	6,000-9,000
Apparent Consumption	330,998	315,707	368,652	310,000-313,000

ITALY

Trade reports indicate that Italy has been a fairly active buyer of wheat during July, this, however, is normally the case. It is expected that imports during the month will bring the total apparent consumption for the year to not far below that of last season, the largest on record. Next year's requirements, on the basis of the apparent crop, promise fully to equal those of last season and in the case of durum wheat, may be larger, in view of the less satisfactory outturn in the durum region in southern Italy.

WHEAT BALANCE FOR ITALY

Item	1924-25	1925-26	1926-27
	1,000 bu.	1,000 bu.	1,000 bu.
Production	169,806	240,859	221,025
Imports: Wheat			
Aug.-Feb.	46,994	26,432	41,045
March	10,782	7,026	10,094
April	13,399	8,670	8,050
May	11,559	10,689	11,684
June	6,906	8,436	7,238
Total	259,446	302,112	299,136
Imports: Wheat			
July	4,936	8,289	4,000-9,000
Apparent Consumption	264,382	310,401	304,000-308,000

BELGIUM

The Belgian wheat market was firmer and considerably more active during July than in June, the activity continuing through the first week of August. Improving demand has resulted in the steady diminishing of stocks.

GARNET WHEAT EXPERIMENTS IN CANADA

Garnet wheat is a new early ripening variety evolved by agronomists at the Canadian Government Experimental farm at Ottawa, Ontario, according to an article entitled "Garnet - The New Wonder Wheat" published in the January issue of the Canadian Milling and Grain Journal. The new grain which ripens in 100 days may solve the problem of rust which causes damage to crops every year in the Dakotas, Kansas, Montana and the prairie provinces of Manitoba, Saskatchewan and Alberta. It will advance harvest time in both countries by at least ten days, lessening the freight car congestion of the early fall. It will bring millions of acres of new land into the wheat belt.

The new wheat, its originators say, will open a new epoch in wheat raising. The new variety has been thoroughly tested at Government experimental farms in various parts of Canada. These tests indicate that under actual growing conditions, Garnet is as much an improvement over Marquis as Marquis was over the old varieties of wheat. Outstanding points of superiority of Garnet over Marquis, agronomists say are:

1. Garnet matures from seven to ten days earlier than Marquis.
2. It stands dry weather better.
3. It stands excessive moisture better.
4. It is more immune from the dangers of rust.
5. It will extend the wheat line 75 to 100 miles further north and open a new wheat field of 900 miles from east to west, making available for land settlers an area of over 40,000,000 acres.

Marquis, which is used commonly by farmers in the United States and Canada, is susceptible to rust, a failing common to practically all varieties of bread wheat. Losses from rust in the last few days of the 1926 crop season in the United States and Canada are said to have totaled a fourth of the harvest. It is a race between the wheat and the rust. If the grain ripens early enough, it will escape. If it does not, it falls a prey to blight. Some improvement on Marquis had to be found and the evolution of an earlier ripening variety which would escape rust seemed the solution. Experiments reached a point last year where it was decided to send out samples to experimental farms in Western Canada and to a few selected farmers and subject Garnet to various climatic and soil conditions.

The new wheat was tried out on about 4,000 farms in Western Canada during the summer of 1926. In most cases Garnet was planted alongside of Marquis. Careful records of sowing, harvesting, and threshing were kept. Results of all the tabulations aee not yet available.

RUSSIA: Wheat acreage, production and yield by regions, 1925, 1926

Regions	1925		1926	
	Winter	Spring	Winter	Spring
AREA	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Consuming zone a/	230.0	671.4	266.4	697.5
Central agricultural	573.4	962.2	545.1	1,073.9
Bashkir-Orenburg and middle and lower Volga.	84.5	8,237.1	17.0	10,265.1
North Caucasus	6,852.9	4,033.4	7,311.1	4,643.0
Crimea	604.2	4.3	819.4	4.9
Ukraine	7,235.2	6,881.8	8,798.6	7,652.3
Ural	0.8	5,222.3	2.7	6,036.8
Siberia	18.4	7,619.4	21.9	9,119.6
Kasak-Kirghiz	249.2	4,989.3	262.1	5,765.2
Transcaucasia	2,041.5	309.1	2,041.5	309.1
Other Russia	1,918.2	2,097.9	1,058.0	2,309.5
All Russia b/	18,308.3	4[illegible],028.2	21,143.8	47,876.7
PRODUCTION	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Consuming zone a/	2,889	7,644	2,829	7,042
Central agricultural	4,815	8,366	6,861	7,102
Bashkir-Orenburg-Volga ..	723	69,156	181	118,089
North Caucasus	113,093	61,031	95,037	37,798
Crimea	11,014	60	11,315	60
Ukraine	84,504	67,952	109,843	61,572
Ural	---	64,160	60	81,013
Siberia	241	102,681	301	107,797
Kasak-Kirghiz............	2,107	50,016	3,491	84,143
Transcaucasia	26,844	3,371	32,682	4,093
Other Russia	12,098	20,283	13,121	25,219
All Russia b/	258,327	454,720	275,721	533,928
YIELD PER ACRE				
Consuming zone a/	12.6	11.4	10.6	10.1
Central agricultural	8.4	8.7	12.6	6.6
Bashkir-Orenburg-Volga ..	8.5	8.4	10.6	11.5
North Caucasus	16.5	15.1	13.0	8.1
Crimea	18.2	14.0	13.8	12.2
Ukraine	11.7	9.9	12.5	8.0
Ural	---	12.3	22.2	13.4
Siberia	13.1	13.5	13.7	11.8
Kasak-Kirghiz	8.5	10.0	13.3	14.6
Transcaucasia	13.1	10.9	16.0	13.2
Other Russia	6.3	9.7	12.4	10.9
All Russia b/	13.7	11.1	13.0	11.2

Statistical Review, January 1927, published by the Central Statistical Bureau of Union Soviet Socialist Republic. a/ Including White Russia.
b/ Figures exclude the production of collectivist and state farms and on urban land, the total area of which planted to all grain crops constituted approximately 2 per cent in 1925 and 1926.

WHEAT: Production in specified countries, average 1909-1913, annual 1924-1927

Country	Average 1909-1913	1924	1925	1926	1927 Prel. forecasts & estimates
NORTHERN HEMISPHERE	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA					
Canada	197,119	262,097	411,376	409,811	357,367
United States	690,108	864,428	676,429	832,809	851,145
Mexico	a/ 11,481	10,357	9,440	10,244	11,108
Total	898,708	1,136,882	1,097,245	1,252,864	1,219,620
EUROPE					
Belgium	15,199	13,376	14,477	12,228	14,309
France	325,644	281,179	330,340	231,767	b/(275,000)
Spain	130,446	121,778	162,591	146,600	148,921
Portugal	c/ 11,850	8,577	11,478	8,538	11,280
Italy	184,393	170,144	240,844	220,642	215,242
Germany	131,274	69,199	118,213	95,422	d/(116,000)
Hungary	71,493	51,568	71,675	74,909	75,103
Greece	c/ 16,273	8,252	14,190	11,171	13,300
Bulgaria	37,823	24,698	49,643	41,064	44,753
Poland	63,675	32,498	57,915	47,080	47,252
Minor European countries reporting e/	8,929	9,381	10,952	11,124	11,991
Other Europ. count. f/	351,171	241,244	319,369	309,259	294,000
Russia, European ...	607,828	246,927	498,176	590,234	(590,000)
Total above countries					
excluding Russia ...	1,348,170	1,051,894	1,401,687	1,209,804	1,267,000
including Russia ...	1,955,998	1,298,821	1,899,863	1,800,038	1,857,000
AFRICA, 4 countries	92,047	85,312	104,558	89,976	101,014
ASIA, 3 countries ..	383,827	395,989	371,047	363,622	371,844
Russia, Asiatic	151,113	134,814	214,871	219,415	(219,000)
Total 4 countries					
including Russia ...	534,940	530,803	585,918	583,037	591,000
Total above Northern Hemisphere countries:					
excluding Russia.	2,722,752	2,670,077	2,974,537	2,916,266	2,959,000
including Russia.	3,481,693	3,051,813	3,687,584	3,725,915	3,758,000
Estimated world total					
ex. Russia & China .	3,041,000	3,142,000	3,400,000	3,417,000	
in. Russia, ex. China	3,800,000	3,527,000	4,072,000	4,224,000	

a/ Four year average. b/ Forecast on basis of correlation of conditions of the crop on May 1 with yields for past 24 years. c/ One year only. d/ Forecast on the basis of a correlation of conditions of the crop on June 1 with yields for 25 years, assuming that acreage this year is slightly above 1926, and taking into consideration the deterioration during June. e/ Includes Norway, Netherlands, Finland, Malta and Switzerland. f/ Includes rough forecasts for England and Wales, Scotland, Ireland, Sweden, Denmark, Luxemburg, Austria, Czechoslovakia, Yugoslavia, Rumania, Lithuania, Latvia and Esthonia.

GRAIN: Exports from principal exporting countries, year ending June 30, 1926 and 1927, and July 1926 and 1927

Commodity and country	Year ended June 30		June		July, preliminary a/	
	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Exports-						
Wheat, incl. flour-						
United States	108,035	219,061	11,210	11,515	19,819	10,652
Canada	320,659	304,948	32,424	19,673	8,275	11,873
Argentina	99,013	137,149	10,600	16,000	4,128	9,370
Australia	77,486	101,880	6,365	12,908	3,084	6,748
British India	8,054	11,495	1,754	2,784	1,728	4,744
Danube and Bulgaria	10,320	9,544	2,024	224	920	912
Russia	20,696	33,256	1,776	320	360	192
Total	644,089	810,493	66,153	63,424	38,314	44,491
Corn-						
United States	23,137	17,563	1,722	1,008	1,227	590
Argentina	150,328	269,414	21,202	42,236	15,716	36,669
Rye-						
United States	12,505	21,613	1,082	3,571	2,185	118
Russia, Danube, and Bulgaria	3,792	b/	9	b/	c/ 146	c/ 60
Barley-						
United States	27,182	17,033	1,352	1,186	1,386	1,534
Oats-						
United States	30,975	9,245	1,817	1,462	817	428
Flaxseed-						
Argentina	61,295	67,603	7,179	6,183	4,915	4,873
Imports-						
Wheat, incl. flour-						
United States	15,664	13,224	1,009	458	851	b/
Flaxseed-						
United States	19,354	24,224	2,470	2,925	1,371	b/

a/ United States figures are as officially reported for the full month. For foreign countries exports in all cases not otherwise noted are for four weeks only. b/ Not available. c/ One week only.
Compiled from official sources except preliminary figures for foreign countries other than Canada which are from Broomhall's Corn Trade News. and Chicago Daily Trade Bulletin.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-3

September 15, 1927

FOREIGN NEWS ON WHEAT

- - - - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS BASED ON REPORTS TO SEPTEMBER 13, 1927

Wheat production

The world wheat crop is now indicated to be somewhat larger than last year. The Northern Hemisphere crop aside from Russia promises a harvest 130 to 160 million bushels greater than last year, with the probabilities in favor of later revision downward rather than upward. Early indications for the Southern Hemisphere are for a reduction of 40 to 60 million bushels as compared with last year, due to unfavorable conditions in Australia. The total of estimates of production in 29 countries of the Northern Hemisphere, including a statistical forecast for France, amounts to 2,829 million bushels compared with 2,631 million produced in those countries last year. A slight increase is indicated in European countries not yet reporting which may be cut down by poor weather reported in August.

The North American estimate of an increase of 78 million bushels over last year is subject to some revision. The United States September 1 estimate in the past 13 years has been within about 5 per cent of the final estimate in 10 years and has been within 8 per cent in all 13 years. The Canadian September estimate in the past 8 years has been within 6 per cent of the final estimate in 6 years and within 11 per cent the other two years. In 5 of the past 6 years the September Canadian estimate has been below the final. This year with almost a record production and a higher yield per acre than in any of the preceding 8 years, there is greater likelihood of a reduction in the final estimate than usual.

Reports from European countries outside of Russia continue to indicate a larger crop than last year. Estimates from 20 countries indicate a production of 1,062 million bushels, which is 51 million above last year. Rough estimates made on the basis of condition reports and other estimates for the remaining countries, excepting Russia, give a total production for Europe of 1,269 million bushels as compared with 1,208 million bushels in 1926. These European estimates for countries not yet reporting have not been reduced in accordance with reports of storm damage during August in northern Europe, since there has been little indication as yet as to the probable extent of the damage. It is expected that there will be some decrease both in quantity and quality in the crops of northern France, northern Germany and Poland as a result of these storms, but it is possible that the reduction in the quantity of harvest may not be heavy in comparison to the total crop. September estimates for Norway and

Belgium have increased slightly over previous estimates and that for the Netherlands is somewhat decreased. Trade reports from Germany are estimating the crop at 103 to 110 million bushels of which 7 to 15 million are expected to be unfit for milling, whereas early condition reports indicated a crop of 116 million compared with 95 million officially reported for 1926. The German official estimate is expected within a short time. The Russian crop is now generally expected to be somewhat smaller than last year. An expected increase in the rye crop might result in less decrease in the Russian wheat surplus than would be indicated by wheat production alone.

North African production is still reported as 10 to 11 million bushels greater than last year. The Chinese crop is believed to be good this year.

The first forecast of acreage in Argentina shows a slight increase over 1926 and conditions are generally favorable for development. In Australia continued dry weather hindered seeding, particularly in New South Wales, one of the principal producing states. A correspondent reports a probable production of 100 to 110 million bushels, a reduction of about 50 million bushels from last year's official report, due largely to decreases in Victoria and New South Wales.

Production of other crops affecting European wheat consumption

European rye production has been indicated to be close to 100 million bushels greater than last year, but this figure does not take into account reductions due to the poor weather conditions in northern Europe during August which are believed to have hurt the rye crop in Germany, which produces about a third of the European crop aside from Russia, and also in Poland, the next most important producing country. There is as yet no basis for measuring the amount of this reduction, so the present status of the crop is in doubt.

The European potato crop is expected to be greater than last year due largely to expected increases in the crops of Germany and Poland, which also may have been damaged by excessive rainfall. The possible increases in rye and potatoes in northern Europe will be partially offset by decreases in corn production in southern and southeastern Europe where corn is used to a considerable extent as a bread grain. The corn crop reduction is especially noted in Rumania and Yugoslavia in which corn is used most extensively as a bread grain among the peasants.

Probable exports

It now seems probable that Northern Hemisphere surplus-producing countries will have a little larger exportable surplus than last year. The net exports of Northern Hemisphere exporting countries last year amounted to 617 million bushels as compared with 495 million from the 1925 crop and 524 million from the 1924 crop. According to present estimates of production, it seems probable that these same countries next year will export between 600 and 675 million bushels. Canada will be the leading exporter and, according to latest estimates, may ship 300 million bushels or more and the United States about 235 million bushels. Shipments from Russia are quite uncertain. The Balkan and other countries will contribute very little. If the exporting countries of the Northern Hemisphere do not increase consumption, they can export about about 700 million bushels without reducing stocks. Some increase in stocks and consumption is probable.

Exports of previous years and probable range of exports for the year July 1, 1927 to June 30, 1928 are indicated below. Ranges are given in every case to indicate uncertainties as to domestic utilization and changes in stocks.

In this connection it may be of interest to compare last year's range estimates with the actual net exports for the year. The net exports of all the countries for which ranges were given in "Foreign Crops and Markets" of September 13, 1926 fell within the range excepting Canada. The Canadian estimate of production was increased after that date from 399 to 410 million bushels and net exports amounted to 305 million, 5 million over the maximum of the range given as of September 13. The principal changes made thereafter in estimates of exports were in narrowing ranges as the year approached an end.

Import requirements

Indicated increases in wheat and rye crops will reduce European requirements for wheat from exporting countries. An increase of from 60 to 100 million bushels in the wheat crop and a similar increase in the rye crop, however, will not cause a corresponding reduction in the imports of wheat. The net imports of European importing countries, excluding Portugal, Poland and Spain for which final data are not available, amounted to 638 million bushels in the year 1926-27, as compared with 521 million for the year before and 609 million for the year 1924-25. For the year 1927-28 the net imports into these countries are expected to be between 575 and 650 million bushels. Increased production may cut the import requirements to about 600 million bushels. Actual imports will depend, of course, upon quality of domestic crops, prices and other conditions such as tariffs and other import restrictions. It is estimated that non-European countries will take from 100 to 150 million bushels, making a total of import rewuirements of all importing countries between 675 and 800 million bushels. This is a wide range. A more probable range is from 700 to 750 million bushels, of which the Northern Hemisphere countries may provide from 600 to 675 million bushels.

The net imports during the past three years of the most important importing countries and range estimates are indicated below. Great Britain is always the largest importer and regularly imports about 200 million bushels. Since the Italian crop is slightly less than last year, Italy is expected to import a little more than last year. Germany and France on the other hand, with better rye and wheat crops in prospect, may reduce imports. The imports of most of the small European countries regularly importing vary but little from year to year. Poland has in prospect larger wheat and rye crops which will just about supply her own needs. Poland, however, may import a small quantity of wheat. The imports of most of the non-European importing countries vary but little. China, however, is an exception to this. Reports from Agricultural Commissioner Nyhus indicate that the Manchurian crop is very good this year. China may, therefore, import but a small amount of wheat this year.

WHEAT INCLUDING FLOUR: Net exports from surplus producing countries for 1924-25 to 1926-27 and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year ending June 30				
	1925	1926	1927	Estimates for 1928	
				Minimum	Maximum
NORTHERN HEMISPHERE	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States	255	92	206	220	250
Canada	194	320	a/ 305	315	345
Russia	1	27	49	10	50
British India	45	7	9	5	10
Rumania	4	9	b/ (20)	5	15
Bulgaria	c/	4	1	2	5
Hungary	15	19	20	15	20
Yugoslavia	10	12	d/ 7	e/	e/
Algeria	c/	5	f/	3	6
Total above Northern Hemisphere countries	524	495	617	575	701
More probable estimates				600	675
SOUTHERN HEMISPHERE					
Argentina	127	97	137		
Australia	124	78	90		
Chile	9	2	f/		
Total above Southern Hemisphere	260	177	227		
Total above Northern and Southern Hemisphere countries	784	672	844		

a/ Includes net exports July to April, total exports May to June.
b/ Approximate estimate. c/ Net import. d/ Gross exports.
e/ Reported as possibly on an import basis. f/ Less than 500,000 bushels.

WHEAT INCLUDING FLOUR: Net imports into European importing countries, 1924-25 to 1926-27 and estimates of probable imports for 1927-28 as indicated by early production estimates

Country	Year ending June 30				
	1925	1926	1927	Estimates for 1928	
				Minimum	Maximum
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Great Britain	216	190	218	200	220
Italy	96	64	88	85	95
Germany	71	56	94	80	90
France	41	34	53	45	55
Belgium	39	39	42	39	41
Netherlands	26	27	28	26	29
Czechoslovakia	23	19	17	15	18
Greece	22	a/ (22)	a/ (22)	(20)	(20)
Irish Free State	19	18	b/ 20	18	21
Austria	16	15	a/ (15)	14	15
Switzerland	14	14	17	14	17
Sweden	11	6	6	5	7
Norway	5	6	6	5	6
Denmark	6	6	7	6	7
Finland	4	5	5	4	5
Total above countries	609	521	638	576	646

WHEAT: Net imports into importing countries outside of Europe, 1924-26 and estimates for crop year 1927-28

Country	Calendar year			Estimates for crop year 1927-28	
	1924	1925	1926	Minimum	Maximum
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Brazil	28	27	31	25	35
Japan	26	14	21	15	22
China	31	9	a/(15)	5	15
Egypt	8	12	10	8	12
Other countries	60	46	a/(54)	45	60
Total non-European	153	108	(131)	98	144

a/ Rough approximation.
b/ Includes 12 months exports and 6 months imports.

Exports from the United States

The September forecasts of spring wheat production in the United States indicate an increase over the August forecast of 10 million bushels in supply available for export, carryover or use in the United States. Reports by states indicate increases of about 5 million bushels in hard red spring, with the remainder divided between durum and white wheat. The probable exports from the United States are indicated as a range between 220 and 250 million bushels. This range allows for variations in use in the United States and in stocks. It is expected that reductions in the crops of oats and corn may increase the feeding of wheat and thereby reduce the exportable surplus. Large crops in the spring wheat territory are also likely to cause those states to hold larger stocks at the end of the year than they had at the beginning of the year. The course of prices will also affect variations in both carryover and feeding. Higher prices toward the end of the year might cause stocks to be cleaned up fairly well, whereas low prices might cause more than usual to be retained. Since conditions at present point to prices not very different from last year, it seems probable that stocks will not be very materially increased except in the spring wheat territory where crops were short last year and the carryover reduced to a minimum.

Wheat prices

World market prices continue slightly above last year. The average farm price of wheat in the United States for August was one cent over that of August last year, but the average price of all classes and grades at five markets for the week ending September 2nd was the same as for the corresponding week last year. Prices reached one of the low points of the season early in September of last year. At present they are fluctuating with reports as to conditions in Canada and Europe. The harvest of the Northern Hemisphere crops will soon be completed and the outturn as well as the quality of the grain will be fairly well known within a few weeks. Attention will then be turned to the Southern Hemisphere and reports from Argentina and Australia will become the more important factors in the course of prices. In the meantime heavy export movements from Canada will test the strength of the European demand. The exports from Russia or the failure to maintain last year's exports may also be an important factor in the world wheat markets for the next few months.

THE CONTINENTAL EUROPEAN WHEAT SITUATION DURING AUGUST

Following a two weeks period from the close of July to the middle of August, when Continental wheat markets were rather quiet under the influence of previous purchases, the approach of harvest, and favorable harvesting weather, the markets again became firmer and prices were rising everywhere through the rest of the month, according to a report a/ from Acting Agricultural Commissioner L. V. Steere at Berlin. This rise was apparently the result of the return of very unfavorable harvesting weather over most of Northern Europe, and a renewed interest on the part of buyers in nearly all European markets, an interest due partly to continued delay in the crop and partly to prospects that prices might further advance. Markets were quieter the first part of September as a result of ten days of fine weather. They are resisting a decline in prices, however, apparently due to the belief that much of the August weather damage was irreparable.

Farmers over much of Europe, moreover, are reported slow in marketing the new crop, partly because of occupation with harvesting and Fall work, which have been delayed in some countries, but mainly because of the generally unfavorable character of recent crop reports for Europe. With less favorable crops than previously expected in Rumania and Yugoslavia now confirmed, with extensive weather damage known to exist in France, Germany and other Northern European countries, and with less favorable Russian reports, prospects are looked upon as improved from the sellers' standpoint.

Trade reports indicate that the continued large overseas arrivals of wheat are being absorbed in a satisfactory manner. The flour business, especially in Northern Europe, is reported brisk, and stocks of wheat are generally not large, although some accumulation of grain at Italian ports has been reported recently. The further delay of harvest has at least temporarily increased Europe's requirements of overseas grain.

In spite of recent unfavorable developments, the crops of bread grain in Continental Europe exclusive of Russia, still promise to be slightly larger than last year, although the probable outturn is obscured by the absence of accurate information from the larger producers, France, Germany and Poland which have experienced unfavorable harvesting weather, and Yugoslavia, which is now known to have a smaller crop than in 1926. The facts, however, seem to favor reduction rather than a raising of estimates in the future.

At the same time, it should be noted that the decrease in the Russian wheat crop as compared with last year, may be large enough to more than offset the increase for all the rest of Continental Europe. The Russian wheat crop (Europe and Asia) averaged about 635 million bushels in the three years 1924-26, and last year amounted to 810 million bushels. Reports now indicate that wheat production will be considerably lower than last season. The European rye crop is expected to be larger than last year in spite of a smaller crop in the Danube Basin and recent bad weather in Germany and Poland. Russian reports are very favorable for rye.

---

a/ Based on report of August 27, supplemented by cable of September 7.

That the general quality of grain in the Danube Basin is very good, is now quite definitely confirmed, but everything points to extensive damage to quality in France and over most of Northern Europe. Rye will be most affected, but other cereals, large quantities of which are still in the fields, will not escape. Continued bad weather may have more serious consequences than expected, both on quality and yield.

GERMANY

Following continued heavy imports of both wheat and rye during July, Germany has remained largely dependent upon foreign grain during August. Buying, following a quieter tendency during the first part of the month, when crop prospects assumed a very favorable turn, has again been stimulated since the middle of the month by current requirements, the renewed unfavorable harvesting weather, and further unavoidable delay in the new crop. Trade and other estimates are placing the crop at 103 to 116 million bushels as compared with 95 million last year. The quality of the crop has also been hurt by the poor weather. Market receipts of new domestic grain are not as yet of any importance. Some sluggishness in the grain market as a result of previous purchases, especially of rye, which existed during the first half of the month, has now disappeared, and stocks are reported not large. Business is brisk on both the grain and flour markets.

The nearly two weeks of unfavorable weather since the middle of August is generally thought to have caused considerable damage, both to quantity and quality, over most of Germany north of the line Cologne - Dresden. It is estimated, by grain papers, that on August 13, when the unfavorable weather set in, 35 to 40 per cent of the winter rye in northern and eastern Germany was still in the field. Only a small share of the wheat and oats in this region had been harvested at that time. The significance of this development for rye is well indicated by its effect on German rye prices, which are largely determined by the German and Polish crop.

WHEAT AND RYE PRICES IN GERMANY

(Cents per bushel)

Product	July 28	August 4	August 11	August 18	August 26
Hamburg Wheat	183.5	182.2	----	----	----
Breslau Wheat	177.6	179.6	167.3 (New crop)	175.0	176.3
Berlin Rye	147.6	132.2	131.3	134.9	144.6

WHEAT BALANCE FOR GERMANY

Item	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels
Domestic Production	89,199	118,213	95,429
Net Import: Wheat and flour			
August - May	60,270	37,613	71,063
June	7,999	7,140	10,680
July 1/	10,949	11,997	10,126
August - July	79,217	56,751	91,869
Total utilization	168,416	174,964	187,298

1/ July figures partly estimated.

RYE BALANCE FOR GERMANY

Item	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels
Domestic Production	225,573	317,419	252,190
Rye and rye flour			
Net Import August - July	21,877	----	18,298
Net Exports August- July	----	5,793	----
Total utilization	247,450	311,626	270,488

The Franco-German trade agreement recently announced again places the German duty on flour at $2.44 per barrel instead of $2.65, the latter rate effective only since July 1. The new treaty takes effect September 6. The German duty of 32.4 cents on wheat has not been changed.

DANUBE BASIN

Wheat markets in the Danube Basin, in common with western and northern European markets, were quiet during the first part of August, and since that time have followed the generally upward tendency, with domestic consumers as well as foreign purchasers taking renewed interest. The markets here, as in northern Europe, have also been influenced by the less favorable turn in European crop prospects during August. Although harvesting is practically everywhere completed, peasants are showing no disposition to push the marketing of their crops, and export shipments so far are small. The poor corn crop in Yugoslavia and Rumania is expected to result in increased wheat consumption.

In Rumania, although the demand for both wheat and barley is reported relatively strong with prices firm, there have been relatively small receipts at the ports, farmers apparently being influenced considerably by the less favorable crop in Rumania itself. Press reports have recently estimated the export surplus of wheat in Rumania at only 14,700,000 bushels, but this figure should be used with reservation. The quality, however, is reported very good. The Rumanian barley crop is said to be smaller than last year, quality variable, and the export surplus 16,000,000 to 18,000,000 bushels. The corn crop will be very small, recent rainfalls coming too late to bring any significant improvement. The rye crop is reported as only a small average one.

That the wheat outturn in Yugoslavia is unsatisfactory is indicated by trade estimates of a crop 30 per cent smaller than last year, and also by the fact that internal prices have become too high for profitable export. The Ministry of Agriculture is less pessimistis but estimates the crop at 13 per cent below 1926. Other crops are also much smaller than last year; corn possibly not much more than half as large. Yugoslavia, therefore, will not figure to any significant extent in the coming grain export campaign, some writers even indicating the possibility of imports becoming necessary.

Elsewhere in the Danube Basin there have been no significant recent changes. Hungary, Bulgaria and Austria all have good wheat crops, and Czechoslovakia apparently an average outturn. The corn crop, however, will be very small everywhere in the Basin, as the result of the summer-long drought. The crop is now past any possibility of real improvement.

FRANCE

French imports of wheat during June and July proved large, as expected, and the demand for wheat and other grain has again increased since the middle of August, following a quieter tendency during the first half. Offers of domestic wheat are, so far, restricted, peasants being still occupied with the delayed harvesting, and also apparently cautious about the price outlook. Buyers for the same reasons, are showing more interest.

Although recent bad weather has meant additional damage to the French wheat crop, the outturn is still expected to be above that of last year. Qualities, however, especially in northern France, are reported rather unsatisfactory, a fact which will reduce the amount that can actually be used for milling purposes.

WHEAT BALANCE FOR FRANCE

Item	1923-24	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Production	275,569	281,179	330,844	231,767
Imports: Wheat				
June	8,127	1,882	887	6,577
July	7,549	2,377	1,130	9,994
August - July	55,416	33,356	39,554	65,785
"Apparent Consumption"	330,985	314,535	370,398	297,552

ITALY

The Italian market, more than other European markets, has been influenced during August by the marketing of the domestic wheat crop. The Italian milling industry is reported to have bought considerable quantities of domestic wheat at very favorable prices. It is also said that there has been some accumulation of stocks of foreign grain at the ports. Italy, therefore, may not be an active buyer of foreign wheat in the immediate future but should not long be out of the market. While this year's crop is good, it is no larger than last year's, and Italy's requirements of overseas wheat will again be large during the coming season. The prospect of a poor corn crop in Italy is expected to increase the demand for foreign wheat.

WHEAT BALANCE FOR ITALY

Item	1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels
Production	170,144	240,845	220,644
Imports: Wheat			
August - June	89,639	61,253	78,112
July	4,936	8,289	8,304
August - July	94,576	69,542	86,416
Total utilization	264,720	310,387	307,060

BELGIUM AND HOLLAND

The Antwerp market reports increasingly active buying since the middle of August, with a good demand for wheat being experienced not only from domestic buyers but also from France and Germany.

Rotterdam has reported rather active business in rye during most of August, except in the second week. Beginning with the second week of the month, however, a very good demand for wheat is reported, with active buying on the part of both Dutch and Rhenish flour mills.

POLAND

The latest official estimate of Polish grain crops, issued on August 20, reflects the period of favorable weather existing from the close of July to the middle of August, and shows all cereal crops considerably larger than last year. Since the middle of the month, however, Poland, in common with other countries in Northern Europe, has experienced very unfavorable harvesting weather and it seems practically certain that the official estimates will have to be reduced. This is not only the opinion in trade circles but also seems to be indicated by reports on conditions in eastern Germany along the Polish border. The quality of Polish crops will have suffered considerably no matter what the outturn.

The Polish Government is reported taking various steps to prevent the recurrence of last year's experience when early season exports made it necessary later on to import heavily. Prolongation of the rye export duty, accumulation of stocks by the Government, and regulation of milling percentages are being proposed.

AUSTRALIAN WHEAT PRODUCTION AND MARKET PROSPECTS

A correspondent writes from Australia early in August that wheat growers there have been experiencing a very anxious season so far. Generally speaking, they had an unfavorable seed bed for their wheat crop. Most of the wheat states missed the autumn rains, and subsoil moisture was lacking. Since June there have been four light general rains in the three eastern wheat states. Unfortunately, the rains were scattered, irregular and light, which has resulted in poor germination generally. The present outlook for the wheat crop next December is for a return of not more than from 100 to 110 million bushels against the officially estimated crop last year of 160 million bushels and the crop as estimated by wheat dealers and exporters at about 150 to 155 millions.

In Western Australia fair autumn rains visited the wheat belt, followed by good winter rains and the crop seems quite as good as at this time last year. Since the acreage is some 300,000 acres more than last year, it looks as though they may harvest 30,000,000 bushels provided they get good spring rains. Last year the wheat crop of Western Australia was 30,107,000 bushels.

In South Australia the rainfall has been scattered and light. The autumn rains were lacking entirely, with the result that there is no subsoil moisture, but the recent light showers have carried the crop along. The acreage is a little less than last year, and at present indications point to a harvest of from 20,000,000 to 25,000,000 bushels, whereas last year the crop was estimated at 28,603,000 bushels.

In Victoria autumn rains were absent, the subsoil in the wheat areas was dry and although they have had general light rains since June, the progress of the crop so far has been irregular. The acreage is about the same as last year, and present prospects point to a harvest of 30,000,000 bushels, as compared with 46,886,000 bushels last year.

In New South Wales the acreage is about the same as last year, but here again no autumn rains visited the wheat belt and the general rains since have been light and irregular. On present showing a crop of 25,000,000 bushels might be harvested as compared with 47,289,000 bushels last year. Favorable spring weather might increase the yield in the three Eastern wheat States by 10 or 15 million bushels, but unfavorable spring conditions might reduce the estimates by the same amount.

Up to the end of July, Australia had shipped in wheat and flour 94 million bushels, and the trade estimates the remaining surplus in the Commonwealth at 10 to 12 millions, although official wheat statistics would show 15 to 20 million bushels.

Steamers for full cargoes at the time of the report were available at from 22.0 to 22.8 cents a bushel and parcel freight was quoted at 22.8 cents per bushel, but the general opinion was that parcel freights for wheat would fall to 20 and probably 18 cents per bushel by September.

Owing to the dry conditions and the poor prospects generally from an agricultural point of view, farmers were disinclined to sell their remaining wheat stocks unless they could get at least the equivalent of $1.22 a bushel net at country stations. At that time local prices were about $1.18 to $1.20 country stations, and the shipping equivalent was only about $1.14. No pressure was expected to sell the remaining surplus under existing conditions.

WHEAT AND RYE: Production, average 1909-1913, annual 1924-1927

Country	Average 1909-1913	1924	1925	1926	1927	Per cent 1927 is of 1926
WHEAT North America	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States	690,108	864,428	676,429	832,809	860,892	103.4
Canada	197,119	262,097	411,376	409,811	458,741	111.9
Mexico	11,481	10,357	9,440	10,244	11,108	108.4
Total North America (3)	898,708	1,136,882	1,097,245	1,252,864	1,330,741	106.2
Europe						
20 countries reporting	1,132,949	884,243	1,172,317	1,011,521	a/ 1,062,140	105.0
8 countries not reporting 1927 b/...	215,221	114,292	229,370	196,483	c/207,000	105.4
Total 28 countries..	1,348,170	998,535	1,401,687	1,208,004	1,269,140	105.1
Africa, 3 countries	58,385	51,126	68,311	52,769	63,933	121.2
Asia, 3 countries...	383,827	395,985	371,047	363,896	371,839	102.2
Total, 29 N.Hemis. countries reporting	2,473,869	2,468,236	2,708,920	2,681,050	2,828,653	105.5
Total 37 countries, incl.est.8 countries not reporting 1927.	2,689,090	2,582,528	2,938,290	2,877,533	c/ 3,036,000	105.5
Est.world total excl: Russia and China...	3,041,000	3,142,000	3,400,000	3,417,000		
RYE North America						
Canada	2,094	13,751	13,688	12,114	17,462	144.1
United States	36,093	65,466	46,456	41,010	61,484	149.9
Total North America.	38,187	79,217	60,144	53,124	78,946	148.6
Europe						
16 countries reporting d/	465,219	330,792	493,284	390,592	444,083	113.7
8 countries not reporting 1927 e/....	511,277	320,415	444,851	355,318	c/400,000	112.6
Total, 24 countries	976,496	651,207	938,135	745,910	844,000	113.2
Total 18 N.Hemis. countries reporting in 1927	503,406	410,009	553,428	443,716	523,029	117.9
Est.world production: excl.Russia & China	1,025,000	742,000	1,013,000	813,000		

a/ Includes statistical estimate for France on the basis of early weather conditions. b/ Includes Germany, Sweden, Yugoslavia, Denmark, Lithuania, Esthonia, Scotland and Ireland. c/ Does not take account of August storm damage. d/ Includes Norway, Netherlands, Belgium, Luxemburg, Spain, Portugal, Switzerland, Czechoslovakia, Hungary, Greece, Bulgaria, Rumania, Poland, Lithuania, Finland and Latvia. d/ Includes Sweden, Denmark, France, Italy, Germany, Austria, Yugoslavia and Esthonia.

CORN: Production in European countries, average 1909-13, annual 1924 - 1927

Country	Average 1909-1913	1924	1925	1926	1927	Per cent 1927 is of 1926
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
Hungary	60,813	74,122	87,971	76,545	66,571	87.0
Bulgaria	26,277	24,756	28,158	29,019	34,571	119.1
Czechoslovakia	8,398	10,240	12,043	10,452	10,629	101.7
Switzerland	113	157	177	130	154	118.5
Total 4 countries..	95,601	109,275	128,349	116,145	111,925	96.4
Other important European countries: a/	381,325	436,343	451,146	509,023	b/	
Estimated European total excluding Russia	581,000	589,000	627,000	665,000		
Russia	52,185	94,300	197,783	145,870		

a/ Rumania, Yugoslavia, Italy and Spain.
b/ Drought is reported to have reduced the crop in Rumania, Yugoslavia and Italy, which countries last year produced 491,837,000 bushels.

POTATOES: Production, average 1909-1913, annual 1925-1927

Country	Average 1909-1913	1925	1926	1927	Per cent 1927 is of 1926
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States	357,699	323,465	356,123	399,798	112.3
Canada	77,843	70,632	81,137	82,185	101.3
Total	435,542	394,097	437,260	481,983	110.2
Total 10 European countries reporting production in 1927	474,524	516,176	493,088	493,305	100.0
Total 12 Northern Hemisphere countries	910,066	910,273	930,348	975,288	104.8
Estimated world total excluding Russia and China	4,647,000	5,225,000	4,338,000		

WHEAT, INCLUDING FLOUR: Exports from the United States, by countries, July, 1926 and 1927

Country to which exported	Wheat incl. flour July 1926	Wheat incl. flour July 1927	Wheat July 1926	Wheat July 1927	Wheat flour July 1926	Wheat flour July 1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels
United Kingdom	8,655	2,093	8,286	1,696	78	85
Irish Free State	119	192	98	191	4	a/
Netherlands	3,257	1,512	2,978	1,210	59	64
Germany	1,247	221	968	112	59	23
Belgium	1,098	1,254	1,068	1,254	7	0
Italy	584	212	573	197	2	3
France	304	538	304	537	a/	a/
Finland	154	105	0	0	33	22
Greece	133	762	0	725	28	8
Denmark b/	60	76	20	0	9	16
Malta, Gozo & Cyprus	36	130	18	114	4	3
Norway	32	203	0	56	7	31
Sweden	22	178	0	166	5	2
Poland and Danzig	4	7	0	0	1	1
Other Europe	27	42	6	2	5	11
Total Europe	15,732	7,525	14,319	6,260	301	269
Canada	695	1,759	667	1,733	6	6
Cuba	370	388	1	4	78	82
Mexico	190	103	105	76	18	6
Haitian Republic	122	92	0	0	26	20
Panama	39	329	0	274	8	12
Brazil	494	279	187	0	65	59
Japan, incl. Chosen	637	40	628	32	2	2
China	a/	15	0	0	a/	3
Hongkong	268	429	0	0	57	91
Kwantung	59	0	0	0	12	0
Philippine Islands	181	288	0	0	38	61
Egypt	186	41	0	0	40	9
Other countries	846	812	184	18	142	168
Total exports	19,819	12,100	16,091	8,397	793	788
Total imports	852	477	846	477	1	a/
Total reexports	13	a/	11	0	a/	a/
Net exports	18,980	11,623	15,256	7,920	792	788

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Less than 500. b/ Includes Faroe Islands beginning January 1, 1926.

----------------0----------------

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
0-64

September 15, 1927

FOREIGN NEWS ON ONIONS

- - - - - - - -

SPANISH ONION SHIPMENTS

Shipments of Spanish onions to the United States from the beginning of the season up to September 12, 1927, amounted to 2,185 cases, 124,025 half-cases and 355,642 crates, according to a cable received in the Department of Agriculture from Consul Clement S. Edwards at Valencia. These shipments are equivalent to 422,800 bushels as compared with 467,000 bushels during the corresponding period last year.

Of this year's shipments 2,185 cases, 116,929 half-cases and 336,047 crates were reported as having been shipped to the American market prior to September 10. Subsequent shipments consisted of 6,133 half-cases and 11,012 crates on board the steamer "Blair" scheduled to arrive in New York on September 25, and 963 half-cases and 8,583 crates on board the steamer "Rigel" due in New York on the 24th.

Quotations on Spanish onions show a slight decline with prices at the present date ranging around $1.00 per crate of 38½ pounds c. i. f. New York as compared with $1.05 per crate on September 10, according to Consul Edwards.

--------------0--------------

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-4

October 22, 1927

FOREIGN NEWS ON WHEAT

- - - - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on Reports to October 18, 1927)

The Northern Hemisphere wheat crop outside of Russia and China, according to estimates received to date, is about 180,000,000 bushels greater than last year. The increase, however, probably will be offset to some extent by reductions in supplies from Russia and Argentina. Estimates from 35 countries which in 1926 produced more than 95 per cent of the Northern Hemisphere crop outside of Russia and China total 3,086,000,000 bushels as compared with 2,903,000,000 bushels last year, an increase of 6.3 per cent. While no definite estimates are available as to production in Russia and China, reports indicate that the wheat crops of Manchuria and certain other parts of China are better than last year, whereas the Russian crop is probably somewhat smaller than last year.

The Southern Hemisphere harvest season is approaching. Reports to date indicate that the Australian crop may be 45 million bushels short of last year. The first forecast is 115 million compared with 161 million bushels last year. The wheat area of Argentina has been increased and reports to date indicate that conditions have been fairly satisfactory for the development of the crop.

The increase of 6 million bushels in the October estimate of the United States crop raises the North American total to 84 million bushels above last year. The quality of the Canadian crop as reported by the Dominion Bureau of Statistics is below the average at the end of September but slightly better than last year.

Reports to date indicate that the European crop outside of Russia is about 75 million bushels greater than last year. Estimates received to date total 1,270,000,000 bushels as compared with 1,196,000,000 bushels last year. The indicated increase in these countries, however, may be offset in part by reduced exports from Russia and by the low quality of grain in some countries. While both the German and French estimates of production are above last year's final estimates, it is believed that larger proportions of the grain in these countries are of unmerchantable quality.

Wheat procurements in Russia for the season July 1 to October 1 amount to 28 million bushels as compared with 31 million for the same period last year. It is believed, however, that procurements for the remainder of the season will not so closely approximate last year's procurements. This expectation is based upon indications that while the wheat crop of the Ukraine may have been equal to or greater than last year, the production in several other regions has fallen far below that of last year. Exports to date have been very light and it is probable that the government will retain within the country for home consumption and reserve practically all of the wheat collected.

Manchuria

Agricultural Commissioner Nyhus writes that the wheat crop in North Manchuria is the best in a number of years. The Chinese Eastern Railway estimates a crop of 30 million bushels compared with 24 million last year. The surplus of North Manchuria will be consumed in South Manchuria. This increase in production, however, will probably have the effect of slightly reducing the Oriental demand for American wheat and flour.

European Rye and Potato Crops

Estimates to date indicate that the European rye crop outside of Russia is about 85 million bushels greater than in 1926 but still 100 million bushels below the large crop of 1925. Estimates of production from 22 countries amount to about 814 million bushels as compared with 727 million bushels produced in the same countries last year.

Potato production in 17 European countries is estimated at 2,208,000,000 bushels as compared with 1,908,000,000 last year, an increase of 300 million bushels. This year's production is nearly equal to the large crop of 1925. This estimate includes all the chief producing countries of Europe outside of Russia except Germany. The Prussian crop which amounts to about 70 per cent of the German crop is estimated at 19 per cent above last year.

The effect of increases in wheat, rye and potato crops in Europe will be offset to some extent by reductions in the corn crop. According to reports received to date, European corn production is about 30 per cent below last year. Decreases are reported in both Rumania and Yugoslavia where corn is used extensively by the peasants as bread grain.

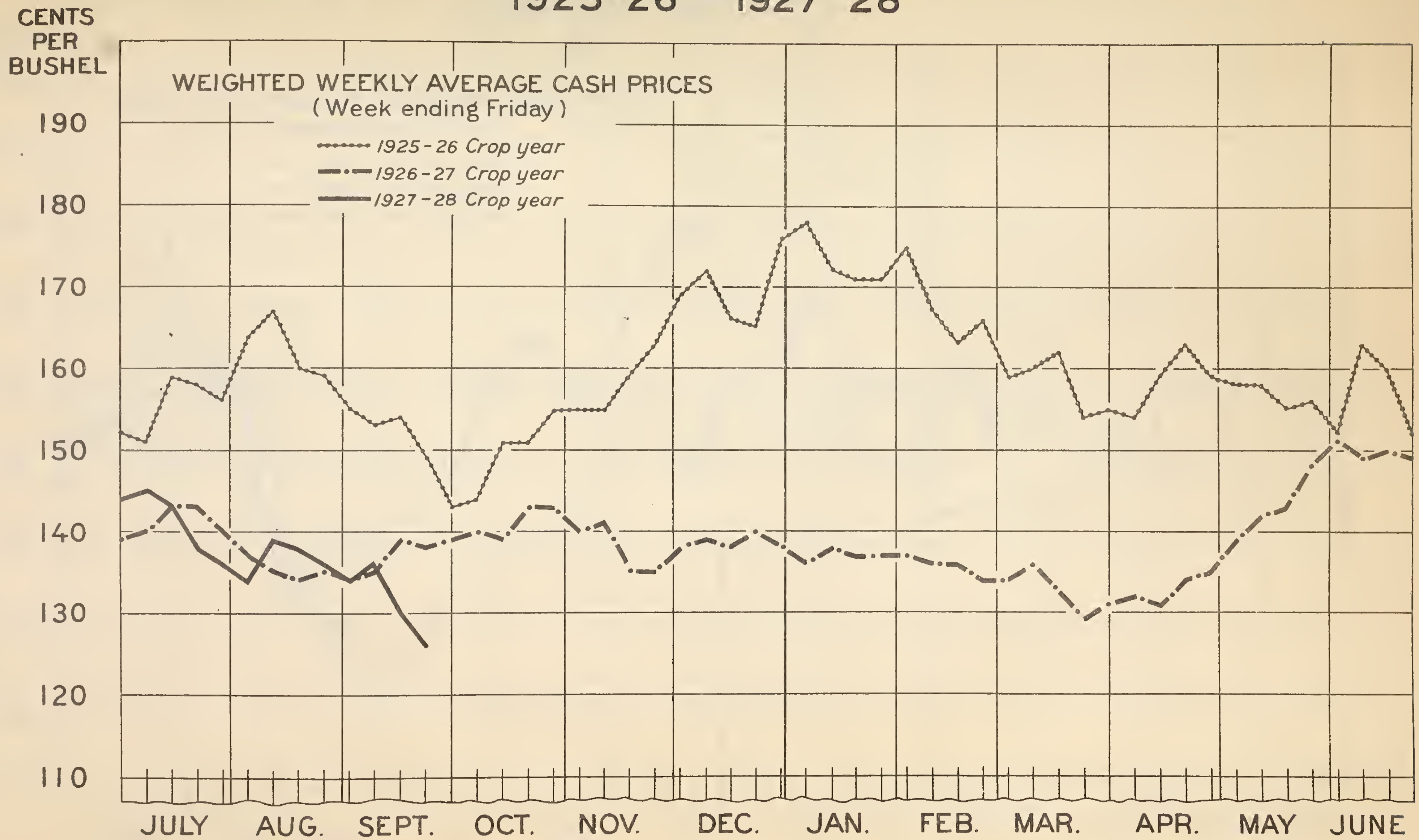
Crop Movements

Importing countries have continued to take fairly large quantities of old wheat from Canada and Argentina and new wheat from the United States. The exportable surplus of Argentine wheat on October 1, according to an official report, had been reduced to 32 million bushels as compared with 41 million as of the same date last year. Canadian stocks of old wheat were also reduced considerably between July 1 and September 1. In the United States, owing to smaller crops in the Southwest, the movement of new wheat was somewhat slower than last year but by October 15 the exports had almost equalled those of the same period last year. Russian shipments have fallen short. Exports from July 1 to September 22 amounted, according to Acting Agricultural Commissioner Steere at Berlin, to only 208,000 bushels as compared with 4,944,000 bushels last year.

Revisions and new estimates of production received in the last month do not seem to require any material revisions in our figures of probable exports and imports. The indicated reduction in the Australian crop and the reduction in the Argentine exportable surplus of October 1 indicate that supplies from the Southern Hemisphere for the remainder of our marketing season, July 1 to June 30, may be considerably less than last year.

WH4

WHEAT: PRICE OF ALL CLASSES AND GRADES AT FIVE MARKETS 1925-26—1927-28

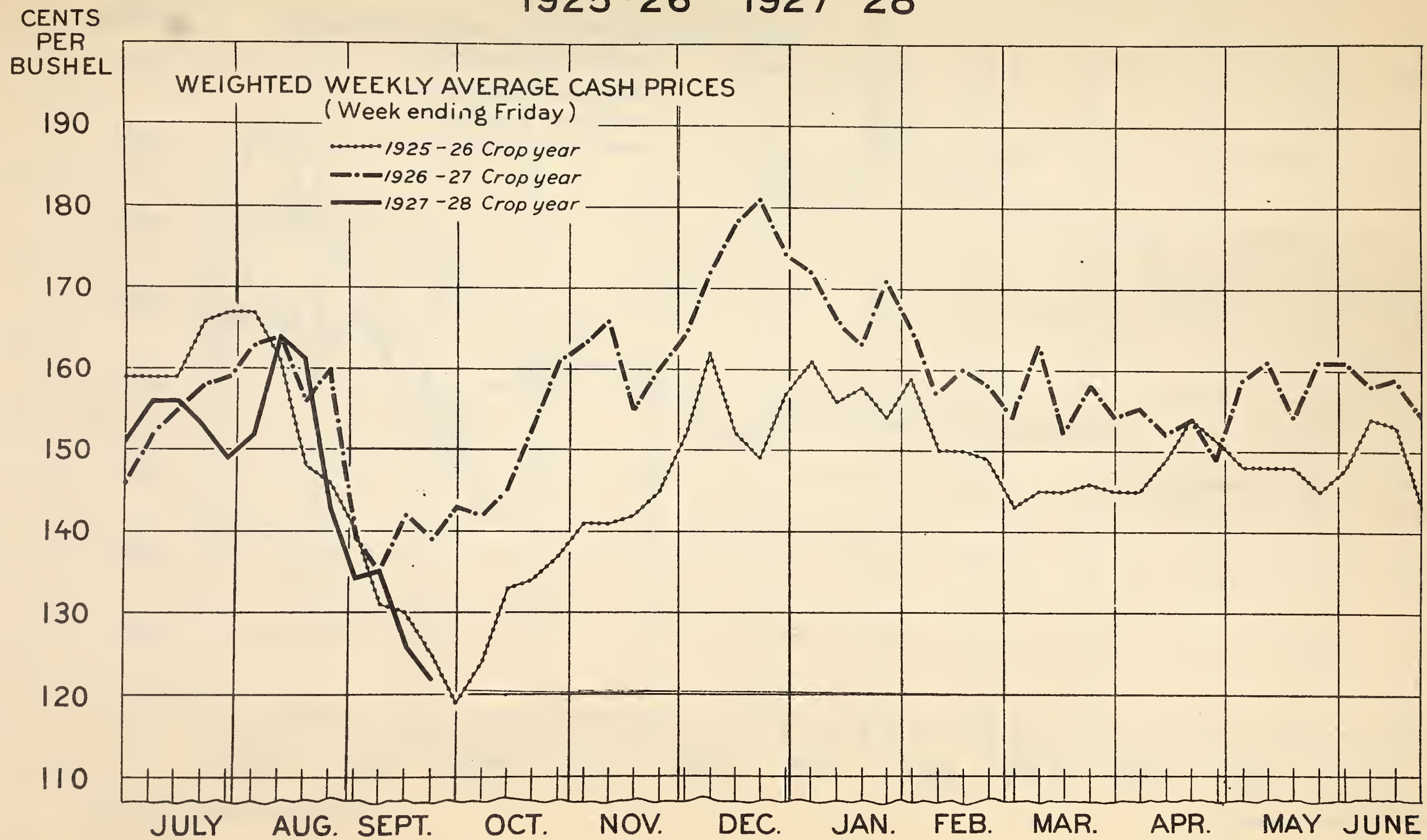


U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WH4

WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS 1925-26—1927-28

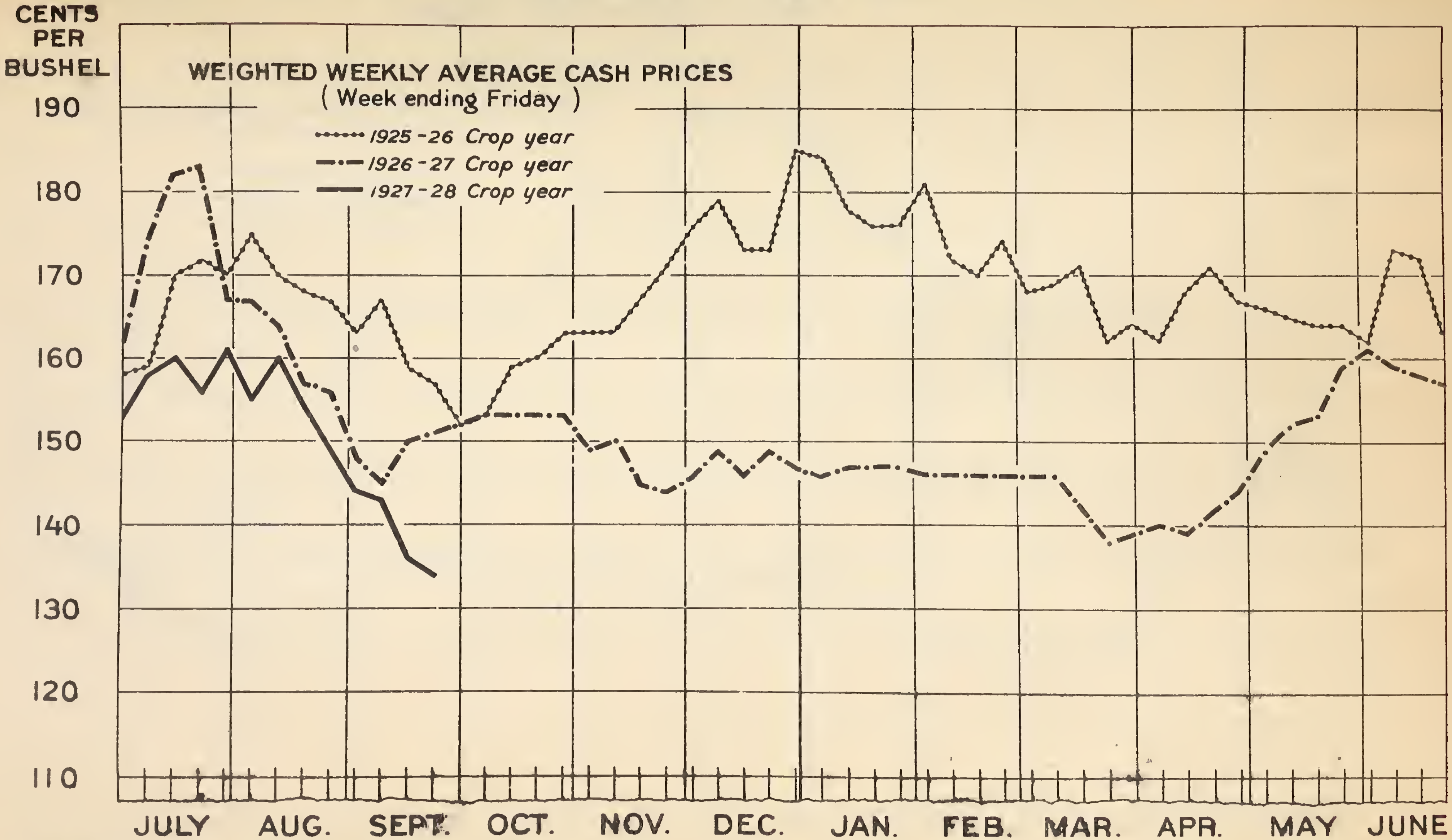


U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

YYH+

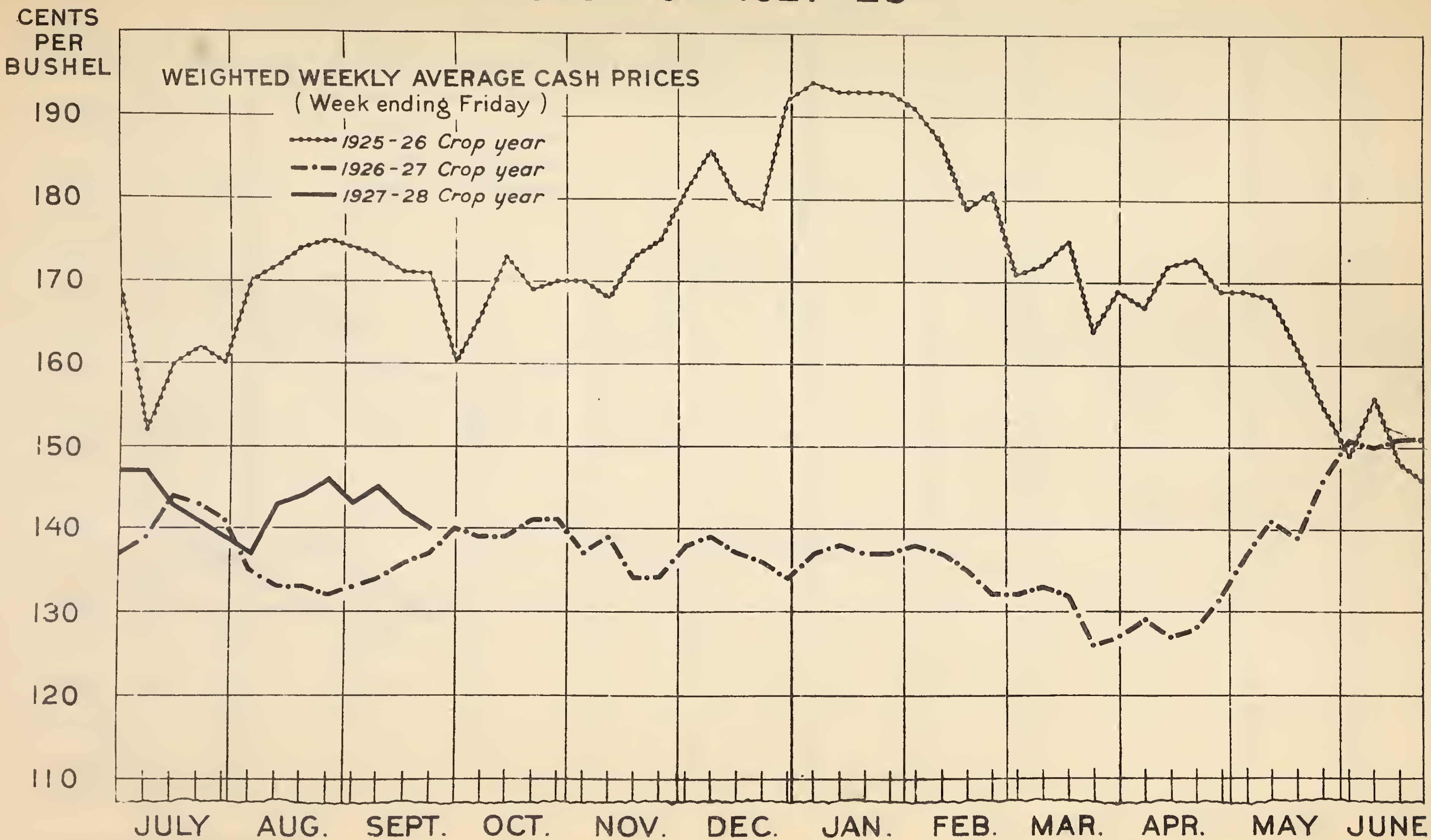
WHEAT: PRICE OF NO.1 DARK NORTHERN SPRING AT MINNEAPOLIS 1925-26—1927-28



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS 1925-26—1927-28

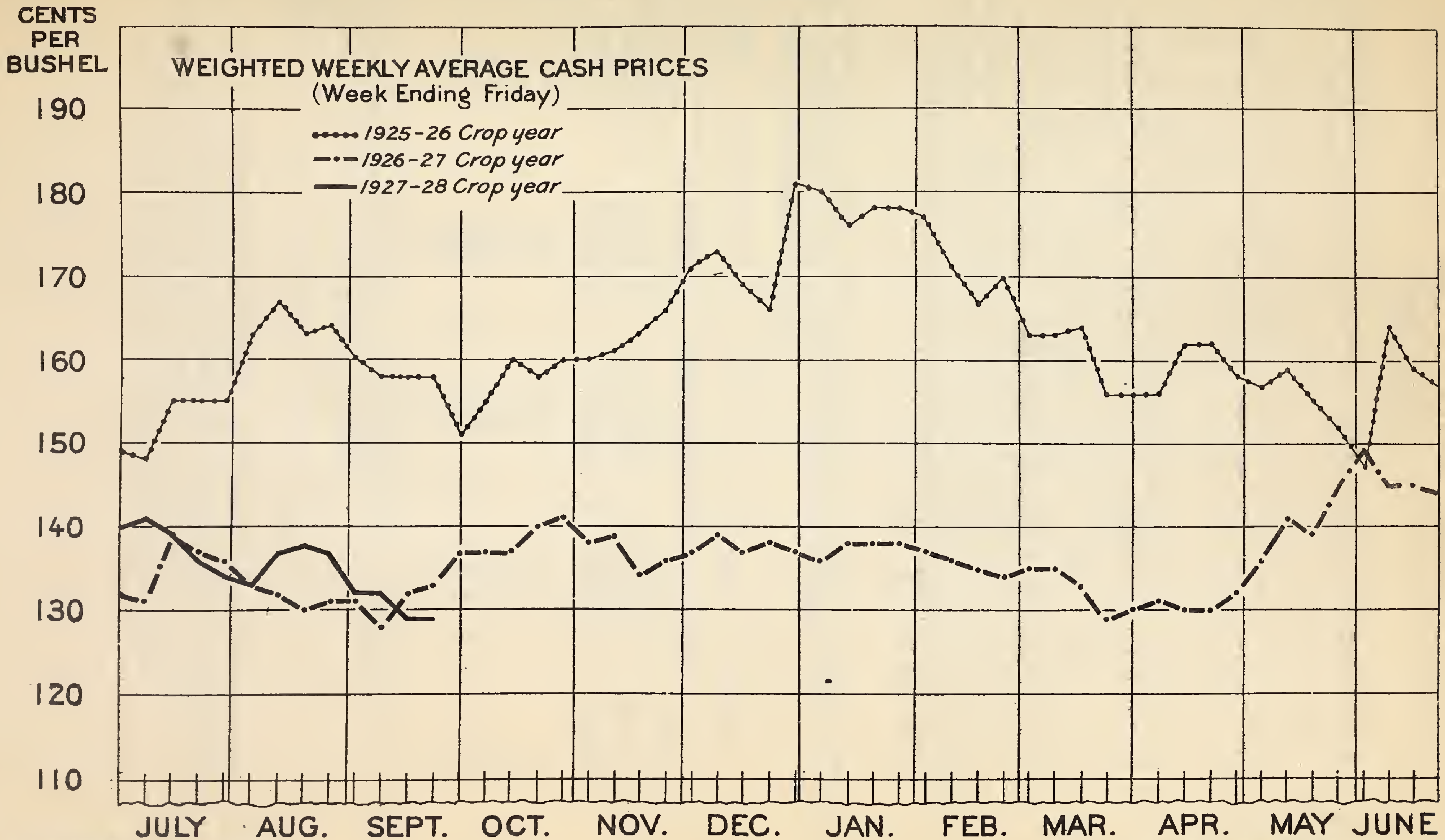


U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WH4

WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1925-26—1927-28



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

Wheat Prices

Wheat prices have improved somewhat since reaching a low point in September. The increase in the size of the world's wheat crop this year as compared with last has caused prices to fall to lower levels. The average price of all classes and grades at five markets in the United States fell to $1.28 for the week ending September 23, which is the lowest point reached since September, 1924. Last year's low points of the year were reached early in September and late in March. The accompanying charts show the course of prices following the harvest seasons of 1925, 1926 and 1927 into September. The higher prices for the season 1925-26 were due largely to the comparatively small crop in the United States which placed some classes of wheat upon a deficit market basis. With a large crop this year and a surplus of all classes of wheat except soft red winter, the average of prices in the United States this year will be largely dominated by world market conditions. The course of prices through the remainder of the year will be influenced largely by crop reports in the Southern Hemisphere, by exports from Russia, and by European demand for Canadian and United States wheats.

As usual, the price situation is not the same for all classes of wheat. The production of the several classes annually, 1923 to date, is indicated approximately as follows:

WHEAT: United States production by classes, 1923-1927

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum 1/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million Bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	832	122	227	361	49	73
1927* ...	866	191	177	320	84	94

These production estimates are based upon percentages of area by classes, in 1924, supplemented by percentages in 1923.

* Preliminary.

1/ Crop estimates of four states plus 1924 indications in other states.

Although the production of hard red winter wheat is somewhat less than last year, it is large enough to remain on an export basis and therefore the price is dominated by world market prices. Beginning the season somewhat above last year, the price has fallen to a level below last year.

The prices of No. 2 red winter, on the other hand, through August and September, were above prices of corresponding months last year. The price of No. 2 red winter at St. Louis averaged \$1.47 for the week ending October 14, 8 cents above the average of the corresponding week last year. This is due to the fact that the production of soft red winter is but a little larger than in 1925 and appears to be scarcely equal to domestic requirements for that kind of wheat.

The price of No. 1 dark northern spring wheat in Minneapolis has fallen considerably below the level of last year. This is due to a considerable increase in the crop, providing a surplus for export. This year's crop appears to be about equal to that of 1924 and considerably larger than in any year since that date.

The price of durum has likewise fallen to a low level. The average price of No. 2 amber at Minneapolis for the week ending October 14 was \$1.26 compared with \$1.45 in the corresponding week last year. This change in the situation with respect to durum is due both to an increase in the crop of the United States and to an increase in foreign competition from Canada and North Africa. Last year the world's durum wheat crop was relatively short which resulted in comparatively good prices for durum. Since the middle of August the price of durum has followed very closely the course of prices for the corresponding period in 1925.

European Markets

Although sales of foreign wheat in European markets continued in fairly large volume during September, buying was characterized by a generally waiting attitude after wheat prices began to decline, according to a report received in the Bureau of Agricultural Economics from Acting Agricultural Commissioner L. V. Steere at Berlin. 1/ Some revival was evident, however, during the first week of October, especially in Northern Europe and Italy which were buying freely, chiefly of near positions of overseas wheat. As continental stocks of foreign grain are nowhere burdensome, however, and in some cases are comparatively small, while at the same time flour mills are reported to be doing fairly satisfactory business, it is expected that a good volume of buying, such as existed in the latter half of August and the first days of September, will again develop as soon as world prices become more stable.

Farmers over much of Northern Europe have continued to market their crops more slowly than usual during September. The bad weather during August and intermittent rain during September have continued to delay completion of harvesting, with the result that potato harvest and fall field work have begun where wheat harvesting left off. Offerings of rye are especially small, wheat offerings somewhat larger. Wheat shipments from the Danube countries and from Russia are running much below normal. In the case of the Danube chiefly because prices have been non-competitive, but to some extent also because of this year's smaller crops in the surplus countries. The reduced wheat crop is mostly responsible for the almost total lack of Russian shipments so far, although the pri situation may also be a factor.

The European wheat and rye crops are now made and their size fairly definitely known, except in the case of Russia. The increase in production outside of Russia may be offset to some extent by a decrease in Russian wheat exports. The surplus in the Danube Basin appears to be from 7,000,000 to 15,000,000 bushels below last year's. September reports from Russia have continued to grow less favorable from the standpoint of wheat export possibilities. The crop in North Caucasus is very small and the crop in Ukraine in the important southern export regions now appears less favorable than previously thought. Russian shipments of wheat from Black Sea ports this season to September 22 are reported to be only 208,000 bushels compared with 4,944,000 bushels during the same period last year.

In Rumania, Hungaria, Austria and France the field work and sowing of wheat were either finished or good progress was being made by the first week in October. Sowing in Germany was somewhat late but was improving as a result of the good weather but in Italy sowing of wheat was being hindered by the dry weather.

1/ Report mailed October 5, supplemented by cable October 12.

Germany

The closing days of August and the first few days of September brought active business in German wheat markets, but thereafter, as a consequence of the improved crop outlook overseas and also plentiful overseas shipments, an element of caution asserted itself and demand fell off. In spite of the declining tendency and weakness of the market, however, there has been a fairly respectable volume of trading in foreign wheat for this time of the season, especially in the latter part of the month. Wheat stocks in the hands of the trade and many of the mills are thought to be large enough to cover immediate needs, but buyers cannot long remain out of the market and a certain volume of business is likely to continue without interruption. Stocks of foreign grain are considerably smaller than a year ago at this time.

The rye market has been very firm all during the month, with prices tending to increase. Stocks of rye in the hands of the trade and the milling industry were very low at the end of the season and the mills are still finding difficulty in covering requirements, as farmers are marketing the crop very slowly. The long period of bad weather in August and intermittent rainy spells during September have so delayed the grain harvest that farmers are now finding it necessary to start harvesting potatoes and to begin their fall field work before threshing is out of the way. Not only is a larger amount than usual of the crop still unthreshed, but marketing is also being hindered. The result has been that rye prices rose from 144.6 cents per bushel on August 26 to 152.5 cents per bushel on September 19, weakening since that date. That the current scarcity of rye is considered largely temporary, however, is indicated by the fact that December futures are materially below spot prices.

It is probable that rye prices this season will again be relatively high, which will tend, as last year, to stimulate wheat consumption. The margin between wheat and rye prices, at Berlin, narrowed rapidly from 24 cents per bushel in the latter part of August to 5 cents on September 19. It has since widened, but there is little doubt that during the rest of the campaign it will continue much narrower than the 18 to 24 cents per bushel considered a normal differential. The rye crop is now being estimated preliminarily at 286,000,000 bushels, but 28,000,000 to 30,000,000 bushels are privately considered unfit for human consumption. This will leave a millable crop somewhat above that of last year, but it still appears that 4,000,000 to 8,000,000 bushels may have to be imported.

The only official estimate of the wheat crop yet available, and one considered only an approximation, places production at 113,647,000 bushels as of September 1. This is about in line with earlier trade and semi-official figures. Allowing for some 15,000,000 bushels privately estimated as unfit for milling purposes, it appears that the effective wheat crop is only slightly larger than that of last year and that import requirements for milling purposes, therefore, will not fall far behind last year's heavy importation.

Wheat Balance for Germany

Item	1924-25	1925-26	1926-27	1927-28
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Domestic Production....	89,199	118,213	95,422	113,647 1/
Net Imports: Wheat and Flour				
August	1,263	14,695	13,533	6,481
September-July	77,954	42,056	78,401	(74,000-84,000)
Total Importation..	79,217	56,751	91,934	(80,000-90,000)
Total Utilization .	168,416	174,964	187,356	

1/ Preliminary: 15,000,000 bushels estimated unfit for milling.

Grain price developments in the past month have been as follows:

Wheat and Rye Prices in Germany
(Cents per bushel)

Country and Item	Aug.26	Sept.2	Sept.9	Sept.16	Sept.23	Sept.27	Sept.30	Oct.10
Hamburg Wheat....	-	170.2	-	165.7	163.1	163.1	160.8	159.5
Breslau Wheat....	176.3	176.3	175.3	175.1	175.1	175.1	175.1	171.8
Berlin Wheat....	182.8	172.1	169.9	166.6	164.7	166.0	-	165.3
Berlin Rye	144.6	144.0	148.8	150.4	145.2	146.4	145.8	144.0

France

The French wheat market was generally without any unusual features during September. Offerings of grain by French farmers were of only medium quantities. Purchases by flour mills and the grain trade, however, were sufficient to add to stocks. The trade showed no disposition toward important commitments with world prices weakening, nor was there much pressure to sell from the farmer's side.

The French wheat crop is officially estimated at 284,356,000 bushels. Of this amount, however, about 18,000,000 bushels are thought to be unfit for human consumption. If we allow for a total consumption during the current year of from 320,000,000 to 340,000,000 bushels, and assume that the carryover of flour stocks and the 33,000,000 bushels of wheat stocks on August 1, estimated by the Bulletin des Halles, remain unchanged at the end of the current season, it is apparent that import requirements during the current campaign may range from 36,000,000 to 56,000,000 bushels, as compared with about

66,000,000 bushels last year. There may be some reason to doubt that consumption will reach 340,000,000 bushels when considering only the revised figure of 298,000,000 bushels for the past year, but this estimate seems entirely reasonable in the light of utilization figures of the three previous seasons. French consumption usually increases markedly when there is an increase in production. Other factors to be remembered are the need for foreign grain for mixing purposes and also the fact that the economic situation, while not yet improved, seems likely to be somewhat better during the year as a whole than during the past season. On the other hand, there may be some over-estimate of the grain unfit for human consumption and the consumption may not increase as much as expected, in which event imports might not exceed 36,000,000 bushels. The weight of this year's crop is estimated by the Bulletin des Halles at from 53 to 62 pounds per bushel.

Wheat Balance for France

Item	1924-25	1925-26	1926-27	1927-28
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Production	281,179	330,844	231,767	284,000 1/
Imports: Wheat				
August-July	33,356	39,555	65,785	(36,000-56,000)
Total consumption	314,535	370,399	297,552	(320,000-340,000)

1/ Includes about 18,000,000 bushels estimated by the Bulletin des Halles as unfit for human consumption.

Italy

The Italian wheat market has been reported quite active during the latter part of August and the first half of September, interest centering chiefly in domestic grain, prices of which were still below a world parity. Some inquiry, however, was also reported for Amber Durum and Manitoba, demand for durum being especially good from Sicily and Naples. Some business in Russian wheat and rye was also reported, but Danubian and other grain was neglected. Trade reports indicate, however, that milling requirements are likely to bring about a revival of foreign purchases before long, especially since the spread between domestic and world wheat prices is steadily narrowing. Imports during August, the first month of the new season, differ only slightly from a year ago.

Wheat Balance for Italy

Item	1924-25	1925-26	1926-27	1927-28
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Production	169,806	240,859	221,025	215,000 1/
Imports: Wheat				
August	5,952	1,956	3,706	3,491
September-July	88,624	67,586	82,710	(85,000-95,000)
Total Importation	94,576	69,542	86,416	(92,000-102,000)
Total Utilization	264,382	310,401	307,441	(310,000-320,000)

1/ Estimate cabled by the International Institute June 15.

Belgium and Holland

Wheat markets in both Belgium and Holland have been much quieter during September, more so in Holland than in Belgium. Dutch flour mills and some mills on the Rhine which buy through Holland apparently having accumulated some stocks. Antwerp, however, has had a fair volume of business considering the declining tendency of prices. Wheat stocks in Belgium are reported quite moderate for this time of the season, and transactions have increased in recent days. Holland reports good business in rye with considerable sales to Germany.

Both the Belgian and Dutch wheat crops are now officially estimated as slightly below last year's crops, and weather damage has been large, especially in Belgium. It seems probable that both countries will have slightly larger import requirements than last season, and possibly more than expected a month ago.

Danube Basin

The wheat market throughout the Danube Basin, including Czechoslovakia and Austria, has been relatively quiet throughout September as a result of the downward tendency of world prices. There has been a small volume of fairly steady buying, apparently for current requirements, but purchasers have not been disposed to make large commitments. Flour mills, however, are reported doing a fairly satisfactory business and are without substantial wheat stocks, so it is expected that good buying will set in as soon as prices are more stable. Surplus countries in the lower part of the Basin were unable to do scarcely any business with western European markets during the month. The crop is being marketed in moderate quantities practically everywhere in the Basin, according to all reports, but considerable stocks have accumulated at Black Sea and Lower Danube ports as a result of the apathy of foreign buyers.

The demand for rye was strong throughout the Basin during September and prices showed an upward tendency as a result of the comparatively moderate offerings.

Czechoslovakia

Limited inquiry for wheat, but a strong demand for rye was the rule in Czechoslovakian markets in September. Offerings of wheat by farmers were fairly large, but rye was available in much smaller quantities and rye prices increased. Flour mills were reported doing a very satisfactory business and may be expected to enter the market again as soon as prices are stabilized. Czechoslovakian grain imports are now running seasonally small, however, and with the better crop this season, import requirements promise to be somewhat less than last year.

Austria

Following good business at the end of August, the Austrian market, as elsewhere in the Danube Basin, has been comparatively quiet during September. Import buying hasnot yet set in. The flour business is reported to be fairly satisfactory, however, and it is expected that mills will soon enter the market again. The Austrian wheat crop this year is very good.

Hungary

Generally quieter business, with slightly declining wheat prices, yet a fairly steady volume of sales, is reported from Hungary during September. The general character of business indicates that buying should be good once the price outlook becomes more definite.

There has been no change in the estimate of the wheat crop and Hungary will doubtless again be, as last year, the largest surplus country in the Basin with exports not differing greatly from the 21,311,000 bushels shipped during the past campaign.

Rumania

Reports indicate a generally weaker tendency in Rumanian wheat markets during September as a result of the downward tendency of world prices. Arrivals at the ports from the interior have been only moderate in size, but the general disinclination to buy on the part of western European markets has resulted in an appreciable accumulation of stocks at Rumanian ports. Prices are lower, accordingly, but it does not appear that business will become active until the world market situation is more definitely settled.

Estimates of Rumania's probable export surplus of wheat differ greatly, some ranging as high as 36,743,000 bushels. In view of the fact, however, that exports of wheat and flour following last year's crop of 110,000,000 bushels amounted to only about 12,860,000 bushels, there is good reason to believe that exports from this year's crop of about 99,000,000 bushels will be no greater but in all probability somewhat smaller. The quality of the crop this year is reported very good, however, so that the marketable share of the surplus is probably larger than last year. On the other hand, the internal transportation situation has shown no significant improvement in the past year, in fact September storms are reported causing extensive damage to roads and railroads, and transportation problems, as last year, may be expected again to limit the actual exports. There is as yet no reason to revise estimates of a month ago

that the Rumanian export surplus of wheat this year appears to be only 9,000,000 bushels to 11,000,000 bushels.

Bulgaria

Bulgaria did active export business in wheat during August with favorable weather conditions facilitating marketing. Around 661,400 bushels are said to have been exported, Greece being an important buyer. Prices, however, have not been in line with the ideas of buyers in western European markets and business with these markets was restricted. September reports indicate a quieter tendency, as elsewhere in the Balkans, but some sales have been made. There has been no change in the outlook that Bulgaria may export from 3,674,000bushels to 4,593,000 bushels of wheat. Some reports indicate, however, that there will be practically no corn for export.

Yugoslavia

Grain markets in Yugoslavia have been comparatively dull all during September, as farmers have been very slow to sell following the unsatisfactory outturn of practically all crops this season. A recent congress of farmers in Belgrade estimated the wheat surplus at 4,400,000 bushels and the corn surplus 7,874,000 bushels, but these figures seem high in the light of all available estimates of the crop. Nothing has yet appeared to make advisable a change in the previous estimate of possible exports of wheat ranging from 1,470,000 bushels to 2,756,000 bushels during the current campaign. Wheat qualities are very good, however, weights averaging 61.4 to 69.9 pounds per bushel.

Poland

The grain situation in Poland is still rather abscure, as is usual during the first part of the season. The latest official estimates place both the wheat and rye crops considerably above those of last year, but private reports state that the official estimate is too high. It appears, nevertheless, that the outturn is probably better than in 1926. The bad weather which did so much damage in Germany during August was slow in reaching the eastern part of Germany and Poland, and was much less severe when it did arrive. The official Prussian estimates indicate a materially higher yield this year in East Prussia than was the case last season.

Allowing an apparent wheat utilization equal to the 55,115,000 bushels last year, and accepting the official estimate of the crop, it appears that Poland may have to import at least 1,837,000 bushels of wheat. If the crop is overestimated somewhat, imports may be larger possibly as much as 4,593,000 bushels. Later developments may even increase this figure. The better rye crop reported may have some influence on wheat imports. Until more about its size is known, however, it can only be considered as obviating the importation of rye. It is important to note, though, that the duty on exports of rye, rye flour and rye bran has been prolonged until the end of June 1928. A law has also been promulgated recently, effective December 26, which increases duties by 100 per cent on imports of rye, wheat and bran, among other products,

from countries without commercial treaties with Poland. This is aimed principally at Germany and Russia.

Grain stocks in Poland apparently reached a low level during the past season, as prices of both wheat and rye rose above a world parity. Grain receipts from farms have also been relatively small during September with the result that rye prices have continued firm and wheat prices have declined to a less extent than on the world market. Government buying of grain has been reported at least temporarily discontinued because of the high price level.

WHEAT: Production in specified countries, average 1909-13, annual 1924-27

Country	Average 1909-1913	1924	1925	1926	1927	Per cent 1927 is of 1926
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States	690,108	864,428	676,429	832,809	866,538	104.1
Canada	197,119	262,097	411,376	409,811	458,741	111.9
Mexico	11,481	10,357	9,440	10,244	11,108	108.4
Total North America .	898,708	1,136,882	1,097,245	1,252,864	1,336,387	106.7
EUROPE						
France	325,644	281,179	330,844	231,767	284,356	122.7
Spain	130,446	121,778	162,591	146,600	148,914	101.6
Italy	184,393	170,144	240,844	220,642	215,242	97.6
Germany	131,274	89,199	118,213	95,429	113,644	119.1
Czechoslovakia	37,879	32,238	39,309	34,130	37,870	111.0
Hungary	71,493	51,568	71,675	74,909	75,1[illegible]	100.3
Bulgaria	37,823	24,698	49,643	41,064	49,236	119.[illegible]
Rumania	158,672	70,420	104,741	110,882	98,435	88.8
Other Europe reporting production in 1927 ..	260,354	201,406	271,137	240,342	247,302	102.9
Total 25 countries.	1,337,978	1,042,630	1,388,997	1,195,765	[illegible]	106.2
AFRICA						
Four countries	92,047	85,312	104,558	89,976	107,731	119.7
ASIA						
Three countries	383,827	395,935	371,047	363,896	371,840	102.2
Total 35 countries ..	2,712,560	2,660,809	2,961,847	2,902,501	3,086,079	106.3
Est. world total excluding Russia and China	3,041,000	3,142,000	3,400,000	3,417,000		

---------------o---------------

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
Wh-5

November 7, 1927

FOREIGN NEWS ON WHEAT

- - - - - - -

THE WHEAT AND FLOUR INDUSTRY IN MANCHURIA

Growing conditions have been favorable for wheat in Manchuria during the present season and it seems to be agreed, according to a report from American Agricultural Commissioner Paul O. Nyhus in China to the Bureau of Agricultural Economics, that the yield per acre is high and that the crop will be the best in a number of years. The Chinese Eastern Railway places the crop at 30 million bushels compared to 24 million last year, with a surplus over requirements in the producing areas about twice as large as last year. In the opinion of the milling trade the receipts at the mills will be at least twice as large as last year. Prices for wheat have dropped close to bean prices, or to about U. S. $1.05 per bushel, and mills that have been closed are preparing to operate. It is quite probable, therefore, that a large part of the South Manchurian flour needs will be taken care of by the crop in North Manchuria.

A striking change in the wheat and flour trade of Manchuria is indicated by a recent study made by Mr. Nyhus. In 1920 Manchuria exported 20 million bushels of wheat to world markets while in 1924 the trade was reversed and flour, equivalent to 13 million bushels of wheat, was imported. South Manchuria in recent years has been an important market for foreign flour, including flour from the Pacific Coast of the United States, and the extent of this market in the future will depend largely upon the development of wheat growing in North Manchuria.

New land is rapidly coming under cultivation in North Manchuria and since the climate is more favorable for soya beans than for wheat, it appears that the former crop is in general more popular at the present time. In certain regions, however, the production of wheat is not so hazardous but that plantings have been increased when prices were high and at such time the North Manchurian production has fully taken care of the flour needs of South Manchuria. So long, however, as world markets continue to absorb increasing quantities of soya bean products, there seems little likelihood that wheat production in Manchuria will expand beyond the requirements of South Manchuria.

Agricultural Development in Manchuria

Considering the extent of Manchuria, about 400,000 square miles, and the estimated area of cultivated crops of 30 million acres, the acreage of wheat is very small. The fact, however, that wheat is grown chiefly in certain regions in Northern Manchuria makes it a crop of considerable commercial significance in these localities.

Manchuria moreover is a "New China" in many respects and rapid changes are taking place. Here, as in no other place in China, are vast rolling areas still undeveloped and awaiting colonists. The extensive river valleys contain a great deal of fertile land. Fully 50% of the arable land in the Northern province is still untouched and here also as in no other part of China, railroad construction is rapidly going on and opening up new tracts to settlers. About half of the railway mileage of China is concentrated in Manchuria and the country has been free from the civil wars and impoverishment that other sections in China have suffered.

Immigration of farmers into Manchuria from the North China Provinces of Shantung and Chihli is another development factor of leading importance. This migration has been taking place in growing volume over a long period of years but more recently a strong impetus has been given to the movement by the continuous hardships of over-population and poverty aggravated by civil war and unsettled conditions in North China. It is estimated that fully 700,000 immigrants from China proper have found their way into Manchuria this past year; they come in the spring and many of them go again with the fall to return to their native provinces and take part in the ancestral rites and family sociability at the Chinese New Year season in February. In recent years it has been observed that a larger portion come prepared to settle permanently in Manchuria and to leave forever the ancestral graves that have bound generations after generations to the same soil. Both as to laborers and permanent settlers this emigration movement is affecting the development of North Manchuria in an evident way each year.

Even here where land is plentiful there is but little farming on an extensive scale. There are only about twelve big-scale farms of 2,000-4,000 acres in size owned by Chinese officials or Chinese banks and operated entirely with foreign machinery and Chinese labor. A large American manufacturer of agricultural implements set up a branch office at Harbin when it left Soviet Russia, and, in addition to supplying the large scale operators with tractors and other machinery, it is selling tractor equipment to land-owners who plough new land before parceling it out to settlers. There is a small business with native farmers in foreign ploughs, some 10 to 15 thousand placed in the last 5 years, but the farming methods are essentially the same as those which the farmers acquired in Shantung and Chihli provinces. It is almost entirely hand labor with very simple tools. Settlers are given on share-lease about 10 acres per man or about the amount that one man can work.

One of the serious drawbacks to development, in addition to the severe winters, is the activity of bandits or "hunghutzes". They rob and kidnap with so much boldness and so near to settlements that the insecurity of the country keeps away many settlers.

The staple crops of Manchuria are kaoliang (a grain sorghum) soya beans, Italian millet, corn and wheat. The first three predominate in importance and the soya bean crop as the big cash crop is inseparably linked with the growth and development of Manchuria. The soya bean industry has grown rapidly; exports

of oil, bean cake and beans were equivalent to 84 million bushels in 1925 or almost twice the 1915 export. As cash crops wheat and soya beans are somewhat in competition while kaoliang and millet are grown for farm and local consumption. With a population of about 20,000,000 people domestic requirements of the chief articles of Chinese diet, kaoliang, millet and corn are extremely large. In addition some 20 million bushels of kaoliang and millet have been exported to Korea and North China in some years, and of corn about 6 million bushels are sent to North China to supplement local grain production. The acreage yield and production of Manchurian crops for 1925 as estimated by the South Manchuria Railway are given in the following table:

STAPLE CROPS: Production, acreage and yield per acre in Manchuria, 1925

Crop	Acreage	Yield per acre	Production
	Acres	Bushels	Bushels
Kaoliang	5,940,000	26.1	155,100,000
Soya beans	5,155,000	24.7	127,200,000
Millet	4,790,000	21.9	105,000,000
Corn	1,902,000	27.7	52,800,000
Wheat	1,572,000	18.0 1/	28,300,000
Rice	428,000	36.8	15,755,000
Barley	320,000	25.8	8,355,000
Total of above	20,107,000		398,730,000

Source: South Manchurian Railway.
1/ Yield per acre higher than estimate of Chinese Eastern Railway.

Climatic Conditions in Manchuria

Soil conditions are favorable for a wide variety of crops but the success with soya bean, kaoliang and Italian millet, all late maturing crops, is related to the special climatic conditions in Manchuria. These same climatic conditions make wheat and other summer maturing grains unsafe crops. There is a spring drought broken only in June; ample to heavy rainfall in July and August together with very high temperatures; and following these two months of excellent growing conditions there is clear dry weather in September and October for harvesting the late maturing crops. The winters are extremely severe, and the contrast with semi-tropical vegetation is caused by prevailing winds from the cold dry Siberian Northwest in the winter, and periodic winds from the warm and moist Southeast in the summer. A Russian scientist in commenting on the unusualness of Manchurian climate has written that it has an extreme climate in the winter, such as is found in Northern Manitoba and in summer temperatures of the rice and cotton districts of the United States. Essential climatic data at the South Manchurian Railway Experiment Station are shown in the following table:

Manchurian weather data 1/

Month	Temperature at 10 a.m.	Amount of Precipitation
	Degrees of Fahrenheit	Inches
January	2.3	.21
February	11.3	.13
March	28.9	.42
April	47.8	.69
May	61.7	2.10
June	70.3	3.45
July	77.5	6.81
August	75.4	5.67
September	61.7	2.66
October	49.5	1.53
November	26.6	.53
December	10.8	.15
Annual	44.1	24.35

1/ Ten year average, 1915-24. At Kungchuling Agricultural Experiment Station.

It will be noted that half of the annual rainfall occurs in July and August and that there is practically no snow in winter. The average date of the last frost in spring is May 8 and of the first frost in the fall September 24. The wheat grown in Manchuria is spring wheat and it is sown about the 1st of April. Some years it is very adversely affected by the spring droughts and the Director of the Chinese Eastern Railway Experiment Station together with others state that in many years a great amount of wheat has to be resown, or other crops substituted for the wheat failure. Again, moist and hot weather about July 1 frequently results in greater or less damage from rust. Various sources indicate that severe rust damage occurs two or three times in ten years. Excessive rains in late July sometimes handicap harvesting. Climatic conditions accordingly are not entirely favorable for wheat, a fundamental condition that limits the wheat acreage and possibilities. Even in the special wheat growing regions soya beans are grown to fully twice the extent of wheat.

Wheat and Soya Bean Prices

Prices of wheat particularly in relation to prices of soya beans have played and will play an important part in the areas sown to wheat from year to year. Monthly prices of wheat and beans at Harbin from 1912 to date show that at times bean prices equal or exceed wheat prices, but that usually wheat prices are higher. The spread between wheat and bean prices was considerable from 1914 to 1919, a price stimulus over a period of years that apparently brought on a big production and export of the years 1919, 1920 and 1921.

Growth of the wheat industry during the war

In the absence of estimates of the wheat crop prior to 1922 the trend of wheat production is indicated in the following table giving the summary of statistics that have been compiled to show the exports from North Manchuria. The Maritime Customs and the Chinese Eastern Railway statistics permit a division between North Manchuria, a section of surplus production, and South Manchuria, the deficit region.

WHEAT AND WHEAT FLOUR: Exports from North Manchuria

Year	Bushels	Year	Bushels
1912	4,000,000	1920	29,600,000
1913	5,000,000	1921	22,100,000
1914	4,500,000	1922	12,000,000
1915	4,900,000	1923	6,800,000
1916	6,100,000	1924	1,600,000
1917	10,000,000	1925	2,800,000
1918	10,100,000	1926	2,900,000
1919	17,600,000		

The gradual expansion of wheat production to the peak exports of 30 million bushels in 1920 and subsequently the retrenchment to practically the pre-war status is very apparent from the above statistics. A part of these exports was absorbed in South Manchuria, so that in 1920 the exports abroad were 20 million bushels. Comparable with estimates that have been made in recent years the annual farm production in North Manchuria during the years 1919, 1920 and 1921 exceeded 75 million bushels. Recent crops have been estimated by the Chinese Eastern Railway as follows:

Year	Yield per acre Bushels	Production Bushels
1922	15.4	45,000,000
1923	6.0	19,000,000
1924	11.5	21,000,000
1925	13.1	22,000,000
1926	14.8	24,000,000

The near failure of the crop in 1923 effected a severe reduction in acreage for the subsequent years.

Status of the flour industry

Dating back to the Russo-Japanese war in 1905, Harbin has been the center of a wheat milling industry and during and following the World War up to 1920 many more flour mills were built not only in Harbin, and in the wheat areas, but also in South Manchuria. With the slump in wheat production the milling capacity in Manchuria was fully 50 per cent idle. Of 26

mills in Harbin not more than 11 operated last year; the mills in South Manchuria are even less advantageously situated as to supplies. Flour shipments from Harbin during the past three years are about the same as before the war or only one third of the peak movement. Milling is mainly for local flour needs which are considerable, due to a Russian population of about 200,000.

Some flour, however, has been shipped during the past years as far south as Mukden in South Manchuria both from Harbin and from Changchun mills. Mukden is also a good outlet for foreign flour, Shanghai, Japanese, American and Canadian, imported at Dairen. About 12 mills distributed through North Manchuria in wheat growing localities have curtailed the outlet for the Harbin mills' flour, in addition to the fact that a small pre-war business along the Siberian border has been destroyed by a prohibitive import duty into Soviet Russia. The milling operations in Harbin last year appear to have used about seven million bushels of wheat and conditions were improved over the two previous years.

South Manchurian Flour Requirements

The following statement has been compiled from the Statistics of imports and exports into South Manchuria and indicates the approximate extent to which South Manchuria takes flour, either from North Manchuria in the form of wheat and flour or from Shanghai and abroad as flour imports.

WHEAT FLOUR AND WHEAT FLOUR EQUIVALENT: Net imports into South Manchuria (Barrels of 196 pounds)

Year	From North Manchuria	From Shanghai and abroad	Total imports
	Barrels	Barrels	Barrels
1920	2,037,000	321,000	2,358,000
1921	1,867,000	512,000	2,379,000
1922	1,039,000	1,041,000	2,080,000
1923	949,000	1,376,000	2,325,000
1924	139,000	3,105,000	3,244,000
1925	447,000	1,530,000	1,977,000
1926	877,000	2,240,000	3,117,000

Prior to 1922 imports from abroad were insignificant in amount and imports from Shanghai were about one third of the amounts in recent years. Imports into South Manchuria therefore of 2 million to 3 million barrels of flour from Shanghai and abroad is a circumstance of only the last three years and its permanence depends upon the extent to which North Manchuria will enlarge its wheat production.

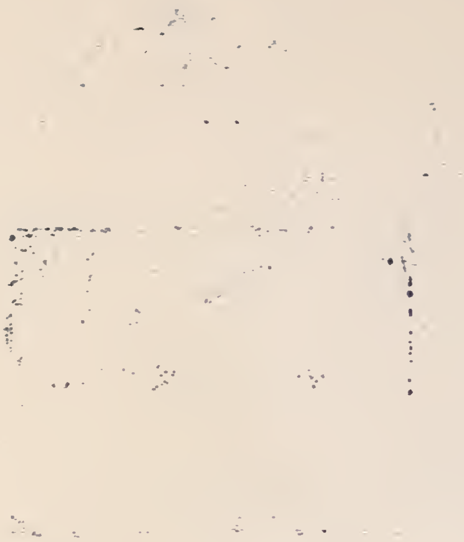
The place of American flour may be judged from the following table giving the country of origin of flour imports into the port of Dairen, a Japanese leased territory and the main entry port to Manchuria.

FLOUR: Source and amounts imported at Dairen

Source	1923	1924	1925	1926
	Barrels	Barrels	Barrels	Barrels
Shanghai	112,600	558,900	785,700	633,100
United States ...	512,800	904,800	448,600	263,900
Japan	48,900	47,000	344,500	460,000
Canada	15,300	247,100	108,000	314,600
Other	4,300	---	400	---
Total	693,900	1,757,800	1,687,200	1,671,600

The imports from Japan, prices being equal, are for the most part explained by the facilities of quick delivery that Japan possesses by virtue of nearness and of frequent sailing at times of low stocks in addition to the connections of their own nationality in Dairen.

------ 0 ------



UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-6

November 21, 1927

FOREIGN NEWS ON WHEAT

- - - - - - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on Reports to November 18,1927)

The most significant recent developments in the world's wheat situation are the lowering of estimates of some European countries and of Canada. Estimates received to date, together with weather reports from Argentina, indicate that the world's 1927 wheat crop, outside of Russia and China, is about 100 million bushels greater than last year. Estimates of production in all countries reporting to date, including a calculated estimate for Argentina based upon temperature and rainfall data, amount to 3,389,000,000 bushels as compared with 3,284,000,000 bushels produced in the same countries last year. Reports continue to indicate a smaller crop in Russia but the effect of a reduction in supplies from Russia may be offset by the effect of a better crop in China upon the imports of the Orient. The indicated increase of about 100 million bushels in the world wheat crop may be largely offset by reduction in the quantity of millable wheat in certain European countries and in Canada.

The reduction in the official Canadian estimate from 459 million bushels to 444 million is one of the significant changes. The November estimate is still larger than last year's crop but the quality of the grain marketed to date is not so good as last year. Of the inspections from August 1 to November 9, only 37.6% graded No. 3 or better, whereas last year 54.7% so graded. Owing to the lateness of the harvest the movement to market of the new crop grain has been delayed. The inspections August 1 to November 9 amounted to 121 million as compared with 144 million bushels last year. The market movement is now fully under way and will probably continue heavy until the closing of the lakes, which ordinarily is early in December.

Wheat Outlook for Australia

Weather conditions in Australia during the past month have been more favorable to the growth of the wheat crop, according to a cable to the Bureau of Agricultural Economics from the International Institute of Agriculture at Rome. The crop in Western Australia has a healthy appearance and a provisional estimate places the crop at 34 million bushels, an increase of 2 million bushels over the estimate issued October 14 and 4 million bushels above the final estimate for 1926. The October estimate of 115 million bushels for total Australia remains unaltered. The rains during the past month have improved conditions in New South Wales. The crop in Victoria is reported to be somewhat patchy and in South Australia much below average.

The Argentine Crop

An analysis of temperature and rainfall reports to the United States Weather Bureau for the season to date as compared with previous years' relations between temperature, rainfall and yields indicates that this year's Argentine crop on the basis of the preliminary official estimate of area should be between 200 and 250 million bushels. A multiple correlation measuring the effect of temperatures for August, September, and October; and rainfall for May and June, July and August, September and October, upon yield for the years 1890-1919 gives a correlation coefficient of .87. The probable error in calculating yields on this basis is 0.94 bushels per acre. Applying the results of this analysis to date for this season indicates a probable yield between 10.51 and 12.39 bushels per acre. The preliminary estimate of area seeded is 19,658,000 acres and applying the calculated probable yields to this indicates the probable outturn of the crop between 200 and 250 million bushels.

While the yield per acre for this year may be slightly less than last year's average yield, the larger area may result in a larger crop. The average yield of wheat in Argentina last year was 11.5 bushels as compared with a 6-year average of 11.9. Production last year amounted to 221 million bushels, 4 million bushels less than the average of the above calculated probable range for this year.

The European Situation

The estimated production in 25 European countries now totals 1,247,000,000 bushels as compared wirh 1,196,000,000 bushels last year. According to the International Institute of Agriculture, the Italian crop is estimated to be about 202 million bushels, 13 million less than a previous estimate and 18 million less than last year. Slight downward revisions in estimates of the crops of other European countries including Spain and Yugoslavia have reduced the estimates of the European wheat crop outside of Russia to within 50 million bushels of last year's crop. Considering the reports of poor quality wheat in northern Europe, probable reduction in exports from Russia, and the possibility of an increase in consumption due to the lower prices now prevailing, it now seems possible that Europe may import this year more wheat than last year from overseas surplus producing countries.

Reports as to European rye crops to date indicate that the rye crop may not be a very much more significant factor in the European wheat market than it was last year. A most significant change is indicated by the German Agricultural Council's report upon Germany. Applying yields as reported to the Council to the official estimate of area indicates that the German rye crop may be only about 265 million bushels. Should the

[illegible]

[illegible] Mundo [illegible]

[illegible]

semi-official estimate of rye production in Germany be borne out, the German rye crop of this year would be only 13 million bushels greater than last year but 52 million bushels less than the 1925 crop. The price of rye in Germany has been held up close to the price of wheat and the relatively high rye prices will encourage substitution of wheat for rye. The total of the official rye estimates of 25 countries is now 110 million bushels greater than last year and substituting the new semi-official German report for the official report would reduce the excess of this year over last year to about 90 million bushels, which is an insignificant change.

Estimates of the European potato crop continue to be considerably in excess of last year but still less than in 1925. On the other hand, there is a considerable reduction in the corn crop. Nine European countries report estimates of 445 million bushels as compared with 629 million last year. Scarcity and higher prices of corn will probably result in the use of more wheat for food in some parts of Europe in place of corn, and the use of more lower grade wheat and potatoes as feedstuffs in other parts of Europe.

Although Europe has taken in the past three months a fairly large volume of wheat from the surplus producing countries, Agricultural Commissioner Steere reports that stocks of overseas wheat are not excessive. The domestic marketings continue slow on account of the lateness of harvest, autumn field work, and the declining tendency of prices.

Probable Exports

Changes in the estimates of the crops of some countries and new estimates for others require some changes in our September estimates of probable exports. Owing to the reduction in the Canadian production estimate, the probable exports of that country are reduced 15 million bushels, and owing to the accumulating evidences of reduction in exports from Russia the maximum of that country is reduced from 50 to 30 million bushels, which is probably still too high. On the basis of indicated production in Australia and Argentina, the probable exports of these two countries and Chile in the period July 1, 1927 to June 30, 1928 are placed between 175 and 260 million bushels. This wide range is given in order to allow for some variations in outturn from the present estimates of production as well as changes in carryover.

It may be of interest to note that the increase in the production of the exporting countries exclusive of Russia as reported to date is about 27 million bushels and that the exports from these countries for the period July to October was 27 million bushels greater than last year.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27 and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year beginning July 1					Actual exports reported		
	1924-25	1925-26	1926-27	1927-28 estimate		Months	1926	1927
				Minimum	Maximum			
Northern Hemisphere	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States	255	92	206	220	245	July-Oct	109	112
Canada	194	320	a/305	300	330	July-Oct	81	77
Russia	1	27	49	5	30	July-Oct	9	2
British India	45	7	9	5	10	July-Oct	5	8
Rumania	4	9	b/(20)	5	15	July-Oct	2	1
Bulgaria	c/	4	1	2	6	d/		
Hungary	15	19	20	15	20	July-Aug	4	4
Yugoslavia	10	12	e/ 7	f/	f/	July	g/	g/
Algeria	c/	5	g/	3	6		h/	g/ h/
Total above Northern Hemisphere countries	524	495	617	555	662		211	204
Argentina	127	97	137	120	170	July-Oct	11	26
Australia	124	78	90	55	80	July-Oct	7	19
Chile	9	2	g/	0	10	July	g/	g/
Total above Southern Hemisphere countries	260	177	227	175	260		18	45
Total above N. and S. Hemisphere countries	784	672	844	730	922		229	249
More probable estimates				750	890			

a/ Includes net exports, July to April, total exports, May to June.
b/ Approximate estimates. c/ Net imports. d/ Not separately reported.
e/ Gross exports. f/ Reported as possibly on an import basis. g/ Less than 500,000 bushels. h/ Includes all of French North Africa.

Probable Imports

Reductions in estimates of production of some of the importing countries and indications of low quality of the domestic crop suggest some revisions in our September estimates of probable imports. Taking into account reports of poor quality of the British domestic crop and the fact that stocks were low at the beginning of the year, our estimate of probable imports by Great Britain has been increased by a minimum of 5 million bushels and a maximum of 10 million. Indications that the Italian crop is at least 10 million bushels below the previous estimate suggest an upward revision of 10 million bushels in the probable imports of that country. Reduction in the German rye crop estimate also suggests an upward revision in the imports of that country, and minor revisions have been made in the estimates of imports of Belgium, Netherlands and Sweden. The net effect of these revisions is to raise our September estimate of probable imports of 16 European countries (indicated in table) from a range of 576 to 646 million bushels, to a range of 600 to 685 million bushels. It now seems probable that these countries will import at least as much wheat as last year when their net imports amounted to 645 million bushels.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1					Actual imports reported		
	1924-25	1925-26	1926-27	1927-28 Minimum	1927-28 Maximum	Months	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain ..	216	190	218	205	230	July-Oct	73	58
Italy	96	64	88	95	105	July-Aug	12	12
Germany	71	56	94	85	100	July-Sept	31	23
France	41	34	53	45	55	July-Aug	4	18
Belgium	39	39	42	40	42	July-Aug	7	7
Netherlands	26	27	28	27	29	July-Sept	8	7
Czechoslovakia .	23	19	17	15	18	July-Aug	4	1
Greece	22	a/(22)	a/(22)	(20)	(20)	--- b/		
Irish Free State	19	18	c/ 20	18	21	July-Aug	3	d/ 3
Austria	16	15	a/(15)	15	16	--- b/		
Switzerland	14	14	17	14	17	July-Sept	4	3
Sweden	11	6	6	6	7	July-Sept	2	2
Norway	5	6	6	5	6	July-Sept	1	1
Denmark	6	6	7	6	7	July-Aug	1	1
Finland	4	5	5	4	5	July-Aug	1	1
Poland	14	e/ (2)	7	0	7	--- b/		
Total above countries ..	623	519	645	600	685		151	137

a/ Rough approximation. b/ Not available for 1927. c/ Includes 12 months exports and 6 months imports. d/ Exports, International Institute. e/ Net exports.

Milling in the United States

In the first three months of the year mills ground somewhat less wheat than in the corresponding period last year and the stocks of wheat held by the mills at the end of the period were less than last year. The total wheat ground in merchant mills in the three months July to September is estimated on the basis of the report of the Bureau of the Census, Department of Commerce, at 142 million bushels as compared with 154 million last year. The wheat stocks held on September 30 by the mills were somewhat smaller than last year and flour stocks were smaller.

The report of the Millers National Federation issued October 31 on mills reporting as of September 30 indicates that the flour manufactured in this period was less than last year and wheat stocks smaller, with both unfilled orders and flour sold less than last year. The Millers Federation report uses as a basis of an index of stocks and unfilled orders a 24-hour day capacity of grindings or output. Using this basis the wheat stocks as of November 30, 1927 were sufficient for 44 days as compared with 50 days last year and unfilled orders for 57 days as compared with 68 days last year. Mills operated at 66% capacity as compared with 72% last year, in the three months ending September 30, and mills sold 108% of their capacity as compared with 122% last year.

Owing to the fact that the period July to September, 1926, followed a short-crop season with relatively high prices for wheat and a restricted foreign market for flour, the mill operations of that period may be considered somewhat abnormally large. The exports of flour in the past three months have been somewhat smaller than in the corresponding period a year ago, amounting to 3 million barrels as compared with 3,750,000 barrels in the corresponding period last year. The difference in distribution of wheat this year as compared with last may also be a factor in the difference in mill activity. Smaller crops of winter wheat have reduced the quantities of readily available or at-hand supplies for the winter wheat mills.

The general level of wheat prices continues below last year. December futures in Liverpool have recently been about 20 cents under last year. On November 10, for example, the closing price of December futures in Liverpool was 23 cents under the corresponding date last year, Winnipeg 13 cents under, and Chicago 14 cents under. It appears, however, that the October decline in wheat prices was checked early in November.

WHEAT: Closing price of December futures

Date	Chicago 1926	Chicago 1927	Kansas City 1926	Kansas City 1927	Minneapolis 1926	Minneapolis 1927	Winnipeg 1926	Winnipeg 1927	Liverpool 1926	Liverpool 1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
October 13 ...	138	131	132	125	142	128	134	131	161	152
20 ...	143	125	137	121	145	123	142	127	175	151
27 ...	143	125	137	119	145	123	140	127	173	150
November 3 ...	140	125	134	121	143	123	138	127	169	147
10 ...	140	126	135	122	143	123	140	127	171	148

Weighted average prices in the United States in recent weeks are given below:

WHEAT: Weighted average cash prices at stated markets

Week ending	All classes and grades 5 markets 1926	All classes and grades 5 markets 1927	No. 2 Hard winter Kansas City 1926	No. 2 Hard winter Kansas City 1927	No. 1 Dk.N.Spring Minneapolis 1926	No. 1 Dk.N.Spring Minneapolis 1927	No. 2 Amber Durum Minneapolis 1926	No. 2 Amber Durum Minneapolis 1927	No. 2 Red Winter St. Louis 1926	No. 2 Red Winter St. Louis 1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
October 7 ...	140	130	137	132	153	133	142	122	139	149
14 ...	139	132	137	131	153	136	145	126	139	147
21 ...	143	128	140	128	153	137	153	124	141	142
28 ...	143	123	141	125	153	131	161	120	141	141
November 4 ...	140	125	138	128	149	132	163	121	137	143
11 ...	141	126	139	130	150	135	166	130	139	142

Good quality soft red winter wheat and high protein lots of hard wheats are relatively scarce and command substantial premiums. The prices of all wheat except No. 2 red winter continue below the prices of the corresponding weeks last year. The higher prices for this wheat are the result not only of a shorter crop but also a scarcity of the higher grades. Reported sales in six markets for the four months July to October of this year show that only 32% graded No. 2 or better as compared with 75% last year. Due both to the larger supplies placing all spring wheats upon an export basis and to the lower world price level, prices of spring wheat continue considerably below last year. Spring wheat grades are running higher than last year. Hard winter wheat is also grading lower than last year but not so low as red winter wheat.

Although weather and crop reports from Australia and Argentina may cause prices to fluctuate somewhat in the next month, the recent downward revisions in the estimates of crops in Canada and certain European countries should have a tendency to strengthen the market. The effect upon world markets of the heavy Canadian movement may be reduced somewhat by the closing of the Lakes. Furthermore, the lower quality of soft red winter wheat in the United States, of the spring wheat crop of Canada and of the crops of North Europe has a tendency to offset the increase in the world's production outside of Russia, and the lower prices now prevailing will probably encourage increased wheat consumption.

The Continental European Wheat Situation a/

Following a short-lived improvement in the first few days of the month, Continental wheat markets continued generally calm during October, with prices showing a tendency to weaken in the face of large overseas shipments and a reserved attitude on the part of buyers. According to a report from Acting Agricultural Commissioner L. V. Steere at Berlin, a fair volume of business has been done in overseas wheat, especially Manitoba, but there has been no evidence of large scale commitments or of buying for distant dates. Activity in European grain is still restricted by the continued rather slow marketing of the crop, the movement of which has been hindered by the late harvest, autumn field work, and recently by the declining tendency of prices.

Generally speaking, the trade has been giving some evidence of a lack of confidence in current price levels. An improvement in demand is looked for, but increased pressure from marketing of the Continental crop is also anticipated. Mr. Steere's cable of November 12 states that German buying of overseas wheat was increasing and domestic shipments showing improved quality. Farmers appear to be expecting higher prices.

Reports from some Continental markets indicate that stocks of overseas wheat are not excessive, but there has been an increase of supplies at German ports during October. It is also indicated that Continental flour sales have been less favorable recently and that some mill stocks have accumulated.

Although Continental offerings of rye have increased and stocks of imported rye at German ports have risen in October, rye prices have strengthened following the weaker tendency during the latter half of September. In fact, prices of wheat and rye are now on practically the same level in German markets, a relationship which is very favorable for the substitution of wheat for rye wherever possible. The trade is of the opinion, however, that this extreme relationship will not continue, although good quality rye is scarce. There can be little doubt, nevertheless, that wheat and rye prices this season, as last season, will encourage increased use of wheat in place of rye. A semi-official estimate of the German rye crop is 20 million bushels less than the preliminary official estimate, according to Mr. Steere's cable of November 12.

The volume of Russian wheat exports has been on the increase since the latter half of September, but is still running much below last year, total exports to October 13 amounting to less than one-fourth of exports to the same date a year ago. The future outlook for supplies from Russia is still very uncertain, in view of the numerous complicating factors. That the crop is considerably smaller than last year is now generally recognized. Other factors, however, also seem likely to exert an important influence, one of the most important being that of difficulty in financing

---

a/ Report of Acting Agricultural Commissioner L. V. Steere, Berlin, dated October 22, 1927 and revised by cables up to November 12.

exports. The Soviet government, according to trade reports, has been successful in renewing only a small share of the credits obtained from the Europesn grain trade last year. Some significance is also being attached to reports that the government expects a poor crop next year, these reports, it is said, tending to curtail peasant offerings. How important these factors are remains to be seen, but developments to date indicate that exports will be materially smaller than last year. Mr. Steere cabled November 11 that Russian grain procurements were continuing to run behind but some reports claim that the peasants are holding large stocks which if true may mean improvement later in the season.

Fall seeding in Europe is reported satisfactory everywhere. The area seeded in Central Europe is believed to be equal to that of last year.

Germany

The quiet tendency setting in on the German grain markets in September continued during October, except for a few days of active buying in early part of the month. The turnover of overseas wheat has been of some volume, in spite of weakening prices, but new crop domestic grain has been moving slowly because of the still somewhat restricted offers. The trade appears to be buying largely for current requirements, while farm marketing indicates reticence to sell at present levels, an attitude that is now noticeable in many European countries. German markets revived somewhat in the first week of November, taking overseas wheat more freely, even though domestic offers also increased.

Stocks of overseas grain have been increasing recently, but do not yet seem excessive. Flour mill requirements have been smaller since the middle of September, as a result of less satisfactory business, yet arrivals of both wheat and rye at German ports have been running relatively large. Statistics on visible stocks of both wheat and rye at the ports accordingly show a steady increase, even though data on inland water-borne traffic indicates that there has also been a substantially heavier movement of foreign grain from the ports towards consumption centers during October. As overseas shipments remain large and deliveries of domestic grain are now increasing, it would not be surprising if some further rise in stocks takes place. German agriculture has maturing obligations which are being given credit for a noticeable increase in current sales of livestock. A period of steadiness in the grain market may for the same reason bring materially increased deliveries of grain from farmers.

Prices of wheat and rye, the relation of which is especially significant in Germany in view of the great importance of rye consumption, have moved in opposite directions during the past month. The wheat market has been slowly and steadily declining, but rye prices, following some weakness around the first of the month have been climbing with equal steadiness, until Berlin quotations of the two grains are now on practically the same level. December future prices of rye are nearly unchanged from a month ago, but the premium on spot grain of good quality disappeared early in October, as a result of increasing supplies, both imported and domestic. The trade

does not expect rye to continue selling on a level with wheat, but the relationship between the two prices promises to continue again, as last season, favorable to substitution of wheat for rye.

Yields, as reported to the German Agricultural Council, a semi-official agency, applied to the official estimates of area indicate a wheat crop of about 23 million bushels, 19 million greater than the preliminary official estimate and 28 million greater than last year. The production of rye, on the other hand, is indicated to be more than 20 million bushels less than the preliminary official estimate. While the rye crop is estimated to be about 40 million bushels more than last year, it is 50 million less than the crop of 1925.

Wheat and Rye Prices in Germany, 1927
(Cents per bushel)

Date	Hamburg wheat	Breslau wheat	Berlin wheat	Berlin rye
September 9 ..		176	170	149
16 ..	166	175	167	150
23 ..	163	175	165	145
30 ..	161	175	165	146
October 7 ..	160	175	165	144
14 ..	158	171	162	145
21 ..	158	171	161	150
26 ..	156			151
November 2 ..	156			142
9 ..	154			142

The Agricultural Council also has issued recently estimates of the quality of the crop and of stocks on farms on September 15. Relatively low quality is indicated for both wheat and rye. Of the wheat crop 28.1 per cent is estimated as below 57 pounds per bushel, 43 per cent between 57 and 59 pounds and only 28.9 above 59 pounds. The distribution of the rye crop is placed as 30.6 per cent below 53 pounds per bushel, 46 per cent between 53 and 55 and 23.4 above 55 pounds. Figures for last year are not available, but the quality is lower than a year ago.

Reports of stocks indicated that on September 15 larger proportions of the wheat and rye crops were still in farmers' hands than a year ago, when harvest was also slightly delayed but to less extent than this year. Figures are not available for all Germany for last year, but this year's data for Prussia, which is almost identical with the figures for all of Germany, compares with last year's Prussian figures as follows:

Farm Stocks of Wheat and Rye in Prussia
(In per cent of the total crop)

Grain	September 15, 1927	September 15, 1926
Winter wheat	88.4	83.7
Spring wheat	94.6	92.1
Winter rye	86.0	83.8

France

Rather restricted business has been reported in the French wheat market during October, chiefly as a result of continued small domestic deliveries. Farmers have been occupied with the harvesting of late crops, such as potatoes and beets, and it is also reported that propaganda among the farmers' unions not to sell grain at present prices has been effective in curtailing deliveries. Quotations for prompt delivery have increased since the first of the month, although prices for November to February delivery weakened.

The official estimate places the French wheat crop this year at 284,355,000 bushels, as compared with last year's October estimate of 248,604,000 bushels and the revised figure of 231,767,000 bushels for final production. The average weight of wheat per bushel is estimated to be 58.9 pounds as compared with 58.61 last year.

Italy

Reports are lacking on developments in the Italian grain market for all of October, but there was some revival of buying during the first part of the month. Italy, however, may be expected to be a steady and large buyer of overseas wheat this year. Recent reports indicate that the crop will be smaller than a year ago, Mussolini having stated in a recent speech that production will amount to about 202,100,000 bushels. The official estimate of last year's crop was 220,600,000 bushels. This indicates that Italy may be the largest importer of wheat in Continental Europe during the coming season, even exceeding Germany.

Holland

Quietness has also characterized the Dutch market for bread grains during October, although demand has been relatively better here than in most other markets. Mills dependent on the Dutch market appear to have worked off any accumulation of stocks they may have had and to be operating on more of a hand-to-mouth basis. The flour market has been rather weak, however, competition from Belgian flour being especially felt.

Belgium

The Belgian wheat market experienced some rather brisk business for domestic and French account at the close of September and early in October, but sales have since been restricted. Buying here, as in Holland, appears to be on a hand-to-mouth basis, and stocks are not considered large.

Danube Basin

The quieter tendency in Western European wheat markets during October has had its reflection in generally dull business throughout the Danube Basin. The slackening in the turnover has been especially pronounced in the lower part of the Basin and a considerable accumulation of wheat stocks is reported at export points, notably along the Danube in Rumania and Hungary. Wheat prices, however, have been only slightly weaker, as offerings of grain by farmers have been comparatively light, the view seeming to be rather widespread throughout the Basin that prices will improve later on. Flour reports vary somewhat, rather satisfactory business being reported from Czechoslovakia, but dullness elsewhere, especially in Yugoslavia and Austraia.

Czechoslovakia

The turnover of domestic and foreign grain has been very small during October, but sales of both wheat and rye flour continued satisfactory and it appears that Czechoslovakian mills will be actively in the market as soon as the current weakness of prices is overcome. The very good potato crop in Czechoslovakia this year has some bearing on probable import requirements of bread grain.

Austria

Continued inactivity in wheat and rye has been reported from Austria so far this month, and flour business has also been restricted with prices weaker. The market, however, has not been under pressure, as offerings of wheat both from Yugoslavia and Hungary are continuing relatively light. More plentiful supplies of rye have brought some decline in quotations. Flour stocks in Austrian mills are said to be important enough to enable millers to stay out of the market for some time further if prices remain weak. Austria also has a very good potato crop.

Hungary

The lack of demand from neighboring markets has brought unusual quietness for this time of the year on the grain market in Budapest. Wheat prices, however, have weakened only slightly in spite of considerable accumulation of grain in storage in Budapest, as offers from the country have not been sufficient to depress the market. Expectation that better prices will prevail later is said to be fairly general among Hungarian farmers and there is a pronounced tendency to hold grain. Holding grain has been facilitated by important recent flour mill purchases on the basis of an 80 per cent advance of present values with the farmer given the privilege of fixing the sale price at

the official quotation on any day between now and April 1. Another factor of possible influence on the tendency to hold grain is the recent agitation for the formation of an Eastern European grain pool which seems to have originated in Hungary, where there is agitation for the formation of a central grain export office.

Rumania

Export business in wheat has apparently been in an almost complete state of stagnation in Rumania so far in October, according to all reports. Steamers in the ports have had great difficulty in obtaining grain to complete cargoes, although stocks have been steadily accumulating in the harbors, particularly at Braila and up-river ports. Inability to effect steady movement of grain destined for export is of importance in Rumania, as storage and transportation facilities are relatively limited and congestion anywhere along the line tends to restrict the amount that can be shipped. The weakness of demand from western European markets is responsible for the inactivity.

The export surplus of corn from this year's Rumanian crop has recently been officially estimated at only 25,400,000 bushels. Stocks of old crop have been placed at 38,380,000 bushels. On the basis of the relation of exports to estimated surplus in the past it seems very doubtful, however, whether exports will resch as much as 40,000,000 bushels. Harvesting of this year's corn crop is now practically completed and the quality is reported good, although the yield will probably be the lowest in the past five years. German papers have reported recently that although there is no commercial treaty between Germany and Rumania, the latter will share in the reduction of the German duty on corn from 19.36 cents per bushel to 15.13 cents, provided in the German-Yugoslavian treaty, as a result of a decision of the German Foreign Office.

Winter seeding, assisted by some rainfall, has progressed steadily under favorable circumstances during October, but more moisture is needed in Southern Rumania, where the ground is very hard.

A possible further development affecting Rumanian grain exports is the recent report that Rumanian export duties on grain and flour have been further reduced. Agitation is also appearing in Rumania for the foundation of a central grain export office.

Yugoslavia

With continued small offerings of grain on the part of farmers and with grain prices still above a world market parity, grain business in Yugoslavia is said to have been of only a very small volume during October. Domestic as well as export buying has been almost completely lacking. Flour business, especially for export, is reported difficult and trading in corn was also much restricted.

The second estimate of the wheat crop indicates a decrease of more than 5 million bushels from the earlier estimate and is 15 million bushels less than last year's crop. Since Yugoslavia exported last year only 7 million bushels of wheat, it seems that she has this year no exportable surplus.

Bulgaria

The Bulgarian trade reports a distinct slackening in the volume of grain export business during October, especially to Antwerp, Rotterdam and Hamburg.

Poland

Polish reports indicate no unusual recent developments in the grain market. Business has been quiet as in other countries and prices have followed similar trends. The actual outturn of the wheat and rye crops is still somewhat uncertain, but they are evidently considerably better than last year. The sowing campaign has been completed.

Russia

Russian wheat procurements from July 1 to October 15 amounted to 68 million bushels as compared with about 72 million bushels for the same period last year. Recent reports indicate that the Ukraine grain crops are smaller than last year. Wheat procurements from the North Caucasus Region have only been 45 per cent of last year. Mr. Steere cabled November 11 that Russian grain procurements were continuing to run behind but some reports claim that the peasants are holding large stocks, which if true may mean improvement later in the season. Exports of wheat, Mr. Steere states, are running about one-fourth of last year.

Current reports, however, indicate a serious disorganization of the grain market and trade generally. The potato crop around Moscow is reported to be a failure.

An official decree of September 24, 1927, of the Economic Council of R.S. F. S.R. published in Economic Life of October 22, speaks of the spotted character of the 1927 crop from a geographical point of view, a relatively smaller marketable grain surplus and a reduced wheat crop as compared with last year. It is held that these factors will give the procuring organizations a number of difficulties during the present campaign. An unsatisfactory freight traffic situation on the railroads of Ukraine is reported by a correspondent in the same issue of Economic Life as adversely affecting grain shipments.

The drought continued in Ukraine through the end of October but snow and rain fell there during the week ending November 10. To the drought in the Odessa region of Ukraine is attributed a large part of the falling off of grain offering by peasants of that region, according to Economic Life of October 22, 1927.

Durum Wheat Situation

More definite reports on durum production continue to show a probable increase in production in the important exporting countries except Russia as compared with last year partially offset by a decrease in Italy, the most important importing country. The early export movement has also been somewhat heavier this year than last except in Russia.

The Italian 1927 estimate of total wheat production has been reduced 13,000,000 bushels making it 19,000,000 below last year's crop and if one assumes that the durum crop is decreased proportionately, there should be an increased demand for foreign durum to offset the decrease. Last year Italy imported 20,419,000 bushels of durum of which 17,361,000 came from the United States and Canada and 2,534,000 from Russia. This year imports in July were slightly above those of the preceding July, but the movement had scarcely started by then. For France, the other important importing country, imports during July and August were small in comparison to those of the preceding years. Furthermore, it is believed that the French import requirement will be taken care of largely by the French North African crop, which is roughly about 10,000,000 bushels greater than last year.

United States durum production is still placed at 84,000,000 bushels, or 35,000,000 above last year and the receipts at 6 principal markets have graded well above last year. Reports of inspections for export as far as they are available are slightly above last year. No definite estimate is available of durum production in Canada but that country is believed to have a good crop this year. Inspections for export through September have been more than a third above the same period last year. No indication of Russian durum production is available but total wheat production in southern Russia, where durum is grown, is now believed to be definitely below last year, except in Ukraine, and deliveries of wheat to the procuring organizations were small through September even in the Ukraine. Total wheat exports through October were less than a fifth of those for the corresponding season last year and it is probable that durum exports are decreased.

DURUM WHEAT: Inspections and trade in specified countries, years beginning July 1, 1925-26, 1926-27; months reported 1927-28 and earlier years

Country and movement	Year beginning July 1		Amounts reported for			
	1925-26	1926-27	Months	1925-26	1926-27	1927-28
EXPORTING COUNTRIES	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels	1,000 bushels
United States -						
Inspections in U.S. a/	4,170	611	July-Aug	598	81	0
" Canada, Eastern Division	22,899	19,385	July-Sept	5,338	3,822	4,096
Total United States wheat	27,069	19,996		5,936	3,903	4,096
Canada -						
Inspections in Western Division b/	7,512	13,047	July-Sept	2,775	2,680	3,749
Russia, imports into						
Italy	1,656	2,534	July	0	108	124
France c/	d/ (81)	481	July-Aug	e/	38	24
Algeria	f/ (5,655)	1,770				
IMPORTING COUNTRIES						
Italy, total imports	16,049	20,419	July	1,141	2,091	2,057
France -						
Total imports	g/ (4,694)	9,804	July-Aug	e/	1,742	763
Imports for consumption	g/ (3,257)	3,954	July-Aug	e/	1,203	404

Taken from official sources of the reporting countries and the International Institute of Agriculture.

a/ Does not include durum in wheat classified as mixed.

b/ Includes a small amount of mixed wheat.

c/ Total imports of durum into France from Russia, rather than imports for consumption.

d/ Half-year January-June. Comparable figure for 1926-27 is 344,000 bushels.

e/ Not separately classified.

f/ Total exports of durum and other wheat. In 1926-27 durum exports were 88 per cent of the total wheat exports.

g/ Half year January-June. Comparable figures for 1926-27 for total imports were 2,687,000 bushels and imports for consumption 449,000 bushels.

ITALY: Imports of durum wheat by countries, years 1925-1927

Country from which imported	Year beginning July 1 — Durum wheat 1924-25	1925-26	1926-27
	1,000 bushels	1,000 bushels	1,000 bushels
United States	9,411	7,853	6,331
Canada a/	7,051	5,324	11,030
Australia	---	---	---
Argentina	605	64	92
British India	---	---	---
Russia, excluding Ukraine ..	37	1,612	2,465
Ukraine	111	44	69
Yugoslavia	---	---	---
Rumania	---	---	---
Tunis	30	2	3
Morocco	---	18	49
Other countries	445	1,134	380
Total imports	17,690	16,049	20,419

Compiled from Statistica del Commercio Speciale.
a/ Some of durum or hard wheat attributed by Italy to Canada is from the United States shipped through Canada.

FRANCE: Total imports and imports for consumption of Durum wheat, year 1926-1927

Country from which imported	Year beginning July 1 — Total imports 1926-27	Imports for consumption 1926-27
	1,000 bushels	1,000 bushels
United States	3,201	50
Russia	481	18
Canada	1,970	41
Australia	16	2
Argentina	0	0
Germany	0	0
British India	0	0
French North Africa	3,828	3,802
Other countries	308	41
Total imports	9,804	3,954

UNITED STATES: Imports and exports of macaroni

Year	Imports Quantity	Imports Value	Exports Quantity	Exports Value
	Pounds	Dollars	Pounds	Dollars
1913, fiscal	106,500,750	4,913,624	---	---
1918, calendar	402,010	40,925	---	---
1919, "	802,551	101,859	---	---
1920, "	805,008	107,160	---	---
1921, "	1,587,464	166,294		
1922, "	2,917,369	234,241	7,494,873	[illegible]
1923, "	3,476,116	249,981	7,159,864	566,230
1924, "	4,534,923	298,058	7,486,436	589,988
1925, "	6,408,878	454,146	8,557,218	726,765
1926, "	5,225,245	396,151	8,272,634	711,122
1927, (January-September)	2,395,264	222,399	6,089,585	511,734

Commerce and Navigation of the United States.

WHEAT, INCLUDING FLOUR: Exports from the United States, by countries, 1926 and 1927

Country to which exported	Wheat, incl. flour July-September 1926	Wheat, incl. flour July-September 1927	Wheat September 1926	Wheat September 1927	Wheat flour September 1926	Wheat flour September 1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels
United Kingdom	23,110	18,469	4,891	8,317	336	174
Irish Free State	1,853	897	679	147	17	5
Netherlands	13,001	8,888	1,781	3,155	135	177
Germany	6,147	3,285	1,947	1,806	139	74
Belgium	4,076	5,795	786	2,858	5	4
France	3,050	3,028	2,257	1,667	a/	a/
Italy	3,047	3,325	948	1,290	1	a/
Greece	2,576	1,746	932	239	40	9
Finland	780	630	24	0	60	72
Denmark and Faroe Islands	667	855	157	209	40	42
Norway	583	707	0	149	62	32
Sweden	470	319	239	81	8	7
Malta, Gozo and Cyprus	219	197	0	37	3	3
Poland and Danzig	6	12	0	0	a/	1
Other Europe	179	2,249	35	2,145	9	10
Total Europe	59,764	50,402	14,676	22,100	855	610
Canada	9,200	19,597	3,423	10,322	6	6
Cuba	1,160	1,384	2	4	94	113
Panama	1,016	743	872	338	13	8
Mexico	872	323	302	97	17	5
Haitian Republic	347	242	0	0	25	21
Brazil	2,820	1,024	616	a/	71	79
Japan, incl. Chosen	3,579	883	2,187	557	8	a/
China	652	368	263	a/	49	65
Hongkong	534	1,057	0	0	26	89
Kwantung	447	182	0	0	45	34
Philippine Islands	912	740	0	0	84	49
Egypt	583	148	0	0	37	10
Other countries	4,443	3,114	1,359	330	230	191
Total exports	86,329	80,212	23,700	33,748	1,560	1,280
Total imports	3,003	2,055	1,469	738	a/	a/
Total reexports	67	3	46	0	a/	a/
Net exports	83,388	78,160	22,277	33,010	1,560	1,280

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Less than 500.

WHEAT: Production, average 1909-1913, annual 1924-1927

Country a/	Average 1909-1913	1924	1925	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA					
United States	690,108	864,428	776,429	832,809	866,538
Canada	197,119	262,097	411,376	409,811	444,282
Mexico	11,481	10,357	9,440	10,244	11,108
EUROPE					
England and Wales	55,770	50,885	50,773	48,683	51,781
France	325,644	281,179	330,844	231,767	284,356
Spain	150,446	121,778	162,591	146,600	145,093
Italy	184,393	170,144	240,844	220,642	202,087
Germany	131,274	89,199	118,213	95,429	113,644
Czechoslovakia	37,879	32,238	39,309	34,130	37,870
Hungary	71,493	51,563	71,675	74,909	75,834
Yugoslavia	62,024	57,770	73,646	71,428	56,511
Bulgaria	37,823	24,698	49,643	41,064	49,247
Rumania	158,672	70,420	104,741	110,882	98,455
Poland	63,675	32,498	57,797	47,080	54,564
Other European countries b/	78,885	60,253	83,921	73,151	78,072
Total above European countries (25)	1,337,978	1,042,630	1,383,997	1,195,765	1,247,500
North Africa (4)	92,047	85,312	104,558	89,976	107,728
Asia (3)	383,827	395,985	371,047	363,896	371,840
Argentina	147,059	191,138	191,141	220,827	c/225,000
Australia	90,497	164,559	114,504	160,858	115,000
Total above 37 countries	2,950,116	3,016,506	3,267,492	3,284,186	3,388,996
Estimate Northern Hemisphere excluding Russia and China	2,759,000	2,732,000	3,038,000	2,979,000	
Estimated world total, excluding Russia and China	3,041,000	3,142,000	3,400,000	3,417,000	

a/ Figures in parenthesis indicate number of countries included.
b/ Includes Norway, Sweden, Netherlands, Belgium, Luxemburg, Portugal, Switzerland, Austria, Greece, Lithuania, Latvia, Esthonia, Finland and Malta.
c/ Based on a correlation of yields with temperature and rainfall, 1900-1919.

WHEAT: Inspections in the Western Grain Division of Canada
1923-24 - 1927-28

Year	Percentage of total cars inspected graded							
	August 1 - October 31 a/				August 1 - July 31			
	No. 1 Northern	No. 2 Northern	No. 3 Northern	No grade	No. 1 Northern	No. 2 Northern	No. 3 Northern	No grade
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24	43.4	23.7	17.0	1.1	37.3	25.7	22.7	1.0
1924-25	28.1	20.6	19.0	6.1	19.5	18.3	18.6	11.6
1925-26	32.8	34.1	15.3	6.9	22.4	27.0	13.8	28.7
1926-27	16.8	27.7	10.2	32.3	9.2	17.7	8.0	50.8
1927-28	2.2	11.7	23.7	34.8	---	---	---	---

a/ Includes inspections up to November 9, 1926-27 and 1927-28.

-------------0-------------

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-7

December 12, 1927

FOREIGN NEWS ON WHEAT

- - - - - - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on Reports to December 9, 1927)

In the past month there have been no material changes in estimates of wheat production, prices have strengthened, and wheat has moved freely in international trade. The world wheat crop outside of Russia and China still appears to be just about 100 million bushels greater than last year. Estimates of production in all countries reporting to date, including a calculated estimate for Argentina based upon temperature and rainfall data, amount to 3,391,000,000 bushels, as compared with 3,288,000,000 bushels last year. As indicated in last month's survey, the indicated increase in production is largely offset by a reduction in supplies from Russia and poor quality in Canada and several north European countries.

The Wheat Crop in Argentina

Weather in Argentina during November was generally favorable to wheat production. An analysis of weather and yield data including conditions reported from May through November point to a slightly higher yield than was indicated in November. On the basis of this probable higher yield and a slight increase in the estimate of acreage, the crop now gives promise of being between 210 and 260 million bushels as against a probable range of 200 to 250 indicated a month ago. Weather for the week ending December 5 was also favorable for the wheat crop. The Argentine official estimate of production is due December 16.

Outlook in Australia

Harvesting of the wheat crop had begun the first week in December in some parts of Australia. Reports of Australian conditions are conflicting, some indicating a greater crop than the 115 million bushels officially forecast, and some a smaller crop. The Victorian Department of Agriculture is reported by Trade Commissioner Squire as having estimated the total Australian crop at 125 million bushels while a correspondent of this Department in Sydney estimated the crop about the first of November to be only about 85 to 100 million bushels. This correspondent gives the following details of the conditions prevailing:

> "We estimate from our area under wheat in New South Wales, of $3\frac{1}{2}$ million acres, that about a million acres have been abandoned. Nearly half a million will be cut for hay - about one million will return half crops (say 7 or 8 bushels per acre) and the other million will return up to 15 bushels. Fortunately, since the break in the weather at the end of September, we have

had a series of weekly showers and these have been ideal for growth as well as for grain development. Victoria and South Australia were really shaping better than New South Wales early in September, but both these growers missed the good general rains this State received at the end of September, and although they have had light intermittent showers since, they have not been heavy enough or regular enough, and the grain crops have deteriorated. It is now almost too late for any recovery in the crops of our sister States, so we think a fair estimate for the Australian crop to-day would be 85 to 100 million bushels.

Old Crop Surplus

"Apart from New South Wales where about 4 million bushels is held in the shape of wheat or flour there is very little surplus stock and we doubt if much old wheat will be exported. There may be some in the shape of flour sent from the different States during the next month, but this will not be pressed and will probably not be shipped unless oversea prices improve."

Canadian Wheat Quality and Movement

The quality of the Canadian wheat inspected the latter part of November has continued low. The contract grades included only 35.8 per cent of the total grain inspected during the season to the second of December this year compared with 47.7 per cent last year and 68.5 per cent the year before. The falling off has been in numbers one and two, number three including a greater per cent of the total inspections this year than last. Of the grain graded to December 1 only 1.6 per cent has been No. 1 Northern this year compared with 13.9 last year, and 10.1 per cent has graded No. 2 Northern compared with 24.2 last year, while 24.1 per cent has graded No. 3 compared with 9.6 last year.

Although the movement of Canadian grain to market has been heavy during November it has not been heavy enough to make up for the slow early movement caused by the lateness in harvesting the crop. Receipts at country elevators and platform loadings for the season as reported through November 25 amounted to 214 million bushels compared with 223 million in 1926. Receipts at Fort William-Port Arthur have also been heavy in November, but with the total still below last year. Total receipts through December 3 amounted to only 133 million bushels compared with 152 million in 1926 and 156 million in 1925. Stocks were also low on that date as compared to last year, amounting to less than 14 million bushels, compared with 25 million in 1926, but 12 in 1925. Stocks of numbers one and two were especially low. In Vancouver grain has been coming in more rapidly, receipts to December 3 amounting to 18 million this year as compared with 14 million in 1926 and 19 million in 1925.

Shipments out of Fort William-Port Arthur have been greater than receipts, and apparently include old wheat as well as new crop. For the season through December 3 they amounted to 142 million bushels compared

with 138 million to the same date last year and 152 million the year before. In the past two years the peak of the shipments from these ports occurred during that week or earlier, and fell off materially one or two weeks later with the closing of the Lakes. Last year Canadian movement through the canals at Sault Ste. Marie closed December 12, the year before that on December 17, and in 1924 on December 16.

Actual exports of wheat and flour from all Canada are available only through October. The total exports for the four months period through October this year amounted to 75.8 million bushels compared with 80.5 in 1926, 100.6 in 1925, and 63.9 in 1924.

Dates of Cutting of Spring Wheat in Canada and Receipts of Wheat at Fort William-Port Arthur, 1926-1927

Provinces	1926 Sept 1-7	1926 Sept 8-14	1926 Sept 15-21	1926 Sept 22-30	1927 Sept 1-7	1927 Sept 8-14	1927 Sept 15-21	1927 Sept 22-30
	Number of records of first cutting							
Manitoba ...	9	---	--	--	38	5	7	-
Saskatchewan	4	---	--	--	53	7	2	2
Alberta	3	2	1	--	17	5	-	-
	Number of records of cutting general							
Manitoba ...	13	7	1	--	86	27	16	4
Saskatchewan	11	3	2	--	133	44	12	2
Alberta	9	4	2	2	56	20	7	1
	Number of records of cutting completed							
Manitoba ...	63	36	57	17	26	53	119	79
Saskatchewan	101	76	79	27	29	70	178	222
Alberta	13	13	18	28	2	2	29	95
	Receipts of wheat at Fort William-Port Arthur							
	Sept 4-10	Sept 11-16	Sept 17-24	Sept 25-Oct 1	Sept 3-9	Sept 10-16	Sept 17-23	Sept 18-30
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Receipts of wheat	2,155	4,640	10,222	13,469	634	599	2,743	3,963

Compiled from Monthly Bulletin of Agricultural Statistics and reports of the Board of Grain Commissioners.

European Situation

The total production in 25 European countries now reporting is estimated at 1,240 million bushels as compared with 1,196 million last year and 1,389 million in 1925. The only change of importance in the estimate of production during the month has been a reduction in the Italian figure from 202 to 196 million bushels. There was also a reduction in the Rumanian estimate amounting to 2 million bushels. Reports of the crop in northern Europe during the past month have indicated a poorer quality than was reported a month ago. Somewhat unfavorable developments in continental Europe, particularly the northern countries from the standpoint of domestic breadgrain supplies, and the ready absorption of large arrivals of overseas wheat, tend to confirm the earlier expectation of heavier imports this year than last.

Information on the European rye crop continues to indicate that it will not be a significant factor in decreasing the demand for wheat. The crop reported for 23 European countries is 85 million bushels above last year, with indications that the German estimate may be reduced. The continuation of the narrow margin between German wheat and rye prices points to further substitution of wheat for rye. More definite indications as to reductions in feed grain supplies in Europe and higher prices for feedstuffs continue to indicate a probable increase in the feeding of the poorer quality wheat.

France

France appears to be one of the most uncertain factors in the European situation. During the past seven years French wheat imports have varied from 19 million bushels to 68 million. The United States furnished about 40 per cent of the French imports for the last crop year. Not considering carryover because of lack of data, the total yearly disappearance has ranged from 285 million bushels to 364 million, and the per capita disappearance from 7.0 to 9.0 bushels, averaging 8.0 bushels. With the exception of 1922 and 1923, when there was a production above average, imports were below and conversely when production was below average imports were above. The heavier imports in 1923 in proportion to the production were doubtless due to the relatively small rye and potato crops. Imports in 1922 did not respond as normally to the relatively small production.

The import for the 1926-27 season was lower than expected following the poor crop in France and North Africa. This was probably due mainly to the desire of the French government and people to cut down imports in order to strengthen the depreciated franc.

A number of factors must be taken into account in estimating consumption this year. The crop is large, but much of it is of poor quality. The export ban has been removed which will permit France to do what Germany did two years ago, export home produced wheat and import a higher quality of foreign wheat. A recent decree has reduced the amount of wheat substitutes required in the making of bread. The franc appears to be stabilized and should it continue stable, this would facilitate imports. All of these factors would tend to increase consumption, but the tariff has been increased so much that it may restrict imports for the remainder of the year to the extent of offsetting very largely the other factors which would tend to increase imports and consumption.

The 1927 wheat crop is estimated at 284 million bushels. Imports during July and August were 18 million bushels or $4\frac{1}{2}$ times as great as during July and August, 1926. Prices of home grown wheat declined from an average of \$1.92 per bushel in May, 1927, to an average of \$1.53 per bushel in October. This is ascribed to the fact that peasants were anxious to get rid of that portion of their wheat which was wet and could not easily be kept. In keeping with the low price for wheat the price of bread at Paris was reduced effective September 15, from 2.15 francs per kilo (3.8 cents per pound) to 2.10 francs per kilo (3.7 cents per pound) and on October 13 the price was lowered to 2.05 francs (3.7 cents per pound).

By a decree dated September 10, 1927, the percentage of wheat substitutes to be mixed with wheat flour is lowered from 10 per cent to 6 per cent stipulating that on and after January 1, 1928 the only substitute permitted will be rye flour but, in order to permit of the disposal of stocks already in the hands of millers and merchants, until that date 2 per cent of the 6 per cent may be in the form of rice flour, barley flour or groats. On September 2 the import duty on wheat was raised from 18.20 francs per 100 kilos (19.41 cents per bushel) to 25 francs per 100 kilos (26.67 cents per bushel). On November 19 the import duty was raised to 35 francs per 100 kilos (37.44 cents per bushel).

Probable Exports and Imports

With no material change in the estimates of production, the prospects as to exports from surplus-producing countries are not changed.

Over half the probable exports of the United States have been shipped. Exports of wheat and flour in terms of wheat, July 1 to December 1, amounted to about 135 million bushels compared with 130 million bushels last year, when the net export for the year amounted to 206 million bushels.

According to export inspections and inspections of United States wheat in Canada through October, the shipments of soft red winter wheat had amounted to $10\frac{1}{2}$ million bushels and of hard red winter to about 44 million bushels.

UNITED STATES: Inspections of hard winter wheat for export, July-October, 1926-27

Year	Inspections in eastern division of Canada	Inspections in United States	Total
	1,000 bushels	1,000 bushels	1,000 bushels
1926	5,543	44,339	49,872
1927	13,302	30,705	44,007

Comparing estimates of production and exports in previous years, (see the monthly reviews for October and August), it would appear that we had at the beginning of the year no exportable surplus of soft red winter wheat and therefore that domestic supplies of this wheat have been reduced below the amount ordinarily used at home. In the August report it was indicated that exports of soft red winter might amount to as much as 10 million bushels. It now appears that the exports of this class of wheat will exceed this estimate. A little more than half of the August estimate of probable exports of hard red winter wheat has been shipped. Possibly some of the surplus hard red winter wheat will be used in the United States to some extent in substitution for soft red winter.

Week ending	Visible supply		Canadian, stored in bond in U. S.		U.S. wheat stored in Canadian markets	
	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
November 6..	79,855	93,343	11,352	12,636	2,045	6,333
13..	80,354	95,188	14,316	15,221	2,739	7,748
20..	78,820	94,888	15,879	17,253	2,748	6,508
27..	78,863	95,898	22,165	23,884	2,409	6,477
December 4..	75,188	1/ 92,676	26,541	1/ 31,375	2,045	
11..	71,501		28,132		1,547	

Division of Statistical and Historical Research.
1/ Subject to revision.

Month	Receipts at 11 primary markets 1/		Bradstreet's United States visible supply 2/		Wheat ground in United States mills 3/		World visible supply 1/ 2/	
	1926	1927	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	65,503	50,997	16,486	25,515	48,187	42,090	142,820	183,092
Aug.	65,971	76,811	34,575	37,533	52,206	47,986	145,809	181,502
Sept.	45,295	78,687	72,884	71,908	53,975	52,373	182,870	205,049
Oct.	30,079	70,457	84,724	88,755	53,276	54,128	225,197	237,122
Nov.	27,377	41,526	81,175	98,675	47,981		264,243	299,735

Division of Statistical and Historical Research. 1/ Compiled from Chicago Daily Trade Bulletin. 2/ On first of month. 3/ Census estimate raised to 100 per cent.

The larger United States and world visible supplies this year, as compared with last, are not so significant as the difference in figures indicates. The larger visible supply figures in the United States are due in part to a shift in production. Of the wheat moving to market from the Northwest a much larger part appears in visible supply statistics than of wheat moving from the Southwest. With the same sized United States crop, therefore, a shift in production from Southwest to Northwest tends to cause the visible supply figures to be increased. The increase in world visible supply is effected in large measure by the change in the freight rate situation. The rapid rise in freight rates last fall, caused by the British coal strike, had a tendency to delay shipments to Europe. With no such increase in rates this year, wheat has moved more freely from overseas exporting countries.

Probable Imports

The takings of European countries in the past month tend to support the statement made last month that it seemed probable that European countries would import at least as much wheat as last year.

Prices

The general level of wheat prices advanced after reaching the low point of the season about the first of November. The marked advance of the first three weeks of the month was checked toward the end of the month but most of the gain in prices has been held to date. December futures in Liverpool closed December 1st at the equivalent of 151 cents per bushel compared with 147 on November 3rd and 164 on December 1 last year. Thus prices moved up closer to the level of last year, being only 13 cents under on December 1, as compared with 22 cents on November 3. December futures in Winnipeg in the same period rose from 127 to 133 cents, which was higher than on the corresponding date last year. Increases were likewise registered in the futures markets of the United States.

Cash prices of all classes and grades at 6 markets in the United States for the week ending December 2 averaged 3 cents higher than in the first week in November. The greatest advances were made by hard winter wheat at Kansas City and durum at Minneapolis. The price of No. 2 soft red winter wheat at St. Louis declined slightly but remained higher than last year.

Prices are likely to continue to fluctuate with reports from the Southern Hemisphere until the crops there are definitely known. Thereafter until the Lakes open in the spring, prices will be determined largely by the activity of European markets in relation to available supplies from the United States, Argentina and Australia. Canada may continue to ship small amounts but it is probable that a large part of the Canadian surplus will be held until after the opening of the Lakes. At the present time it seems that the market should remain firm with the general level of prices continuing not far below that of last year.

WHEAT: Closing price of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
November 3..	140	125	134	121	143	123	138	127	169	147
10..	140	126	135	122	143	123	140	127	171	148
17..	134	128	129	123	138	124	133	132	163	152
23..	135	129	131	124	137	125	132	134	165	154
December 1..	137	129	134	123	140	125	130	133	164	151

WHEAT: Weighted average cash prices at stated markets

By months	All classes and grades 6 markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Amber Durum Minneapolis		No. 2 Red Winter St. Louis	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	142	139	137	136	175	158	154	153	142	141
August	135	136	131	135	156	150	153	140	134	142
September ...	136	129	132	131	148	137	138	128	136	142
October	139	125	139	128	153	134	150	123	140	145
November	138	126	137	131	148	134	161	128	136	141
December	139		138		148		174		137	
Week ending										
November 4..	140	123	138	128	149	132	163	121	137	143
11..	141	126	139	130	150	135	166	130	139	142
18..	135	127	134	131	145	133	155	130	134	142
25..	135	127	136	134	144	134	160	128	134	142
December 2..	138	126	137	132	146	134	164	127	138	140
9	139		139		149		172		139	

Division of Statistical and Historical Research.

The Continental European Situation During November a/

Continental wheat markets have improved during the first three weeks of November, particularly following the 10th of the month, according to United States Agricultural Commissioner Steere at Berlin. From November 22 to December 3 the market was quieter, with lessened foreign demand as a result of better domestic marketing and bearish overseas influences. However, buying of overseas wheat has continued large.

Belief that the Southern Hemisphere crop has now been largely discounted, greater strength in American markets, and increasing evidence of large consumptive ability in European deficit countries, as well as some unfavorable developments in the European crop situation, have given the trade more confidence in current price levels, as a result of which it is exhibiting more interest in distant as well as near positions. Demand has broadened out and prices strengthened in most Continental markets in spite of continued large overseas arrivals and shipments, and increased marketing of domestic grain. Improvement in the flour business has contributed to this development. The Continental trade generally seems to anticipate that the improvement will be maintained, but the English trade appears less optimistic.

Continental markets, especially in Northern Europe, have been showing rather unexpected capacity for overseas grain in the past two months. The large arrivals in October and early November have been steadily absorbed into consumptive channels with no evidence of increasing stocks. This very satisfactory movement was going on during a period when the market was relatively weak and is considered a significant indication of this year's requirements of bread grains in Northern European countries whose crops were affected by the unfavorable weather conditions at harvest time.

Developments in Continental Europe during the past month have been somewhat unfavorable from the standpoint of domestic bread grain supplies. Among the most important has been the large reduction in the estimate of the German rye crop (although this has been partially offset by an increase in the wheat crop) and increasing evidence that the damage to quality may be greater than expected in Germany and also some neighboring countries, including Northern France. There is also some further indication that Italian supplies will be smaller than expected, and prospects for supplies from Russia have become slightly less favorable.

The Continental rye markets have been considerably strengthened by the recent reduction in estimates of the German crop. The heavy imports of overseas rye have brought some further increase in port stocks, but shipments into the interior are rising steadily, and the market for rye flour has been improving. The outlook seems even more favorable than heretofore, for a continuation of relatively high rye prices during the balance of the season.

---

a/ Report of Acting Agricultural Commissioner L. V. Steere, Berlin, dated November 23, 1927 and revised by cables up to December 9.

Germany

Developments in the German bread grain market during November have strengthened previous indications that Germany will again have large import requirements this year. The market has been exhibiting a capacity to absorb unusually large arrivals of overseas wheat and rye, and prices, especially for rye, have assumed a firmer tendency coincident with increased supplies of domestic grain. Domestic marketing the last of November was large, with the rye market stronger than wheat. The arrivals of overseas grain have been moving rapidly into consumptive channels, as port stocks of rye are rising but slowly, and port wheat stocks are probably even a little lower than a month ago, in spite of unusually heavy importations in October and early November. As flour business has recently improved somewhat there seems no reason to anticipate materially lower requirements of foreign grain in the immediate future.

The improved market situation has somewhat altered the prospects of a month ago that grain stocks in Germany, which were then increasing, might be further increased because of the large shipments enroute, the quiet tendency of the market, and the probability that domestic marketing would increase considerably in the near future. Port stocks of rye have risen somewhat, but there has been no accumulation of wheat. Statistics on inland water-borne traffic show large and increasing shipments of wheat and rye towards inland centers of consumption. Domestic marketings of grain have increased, offers of low quality rye at times exerting considerable pressure on the market, but prices have been generally well sustained and have even advanced. The difficulties anticipated for German farmers in meeting the Rentenbank obligations due at the first of November did not prove as serious as expected.

The price relationship between wheat and rye, following a considerable decline in rye prices early in November, has again returned to the level existing a month ago, viz. rye and wheat prices practically identical, although both are now quoted slightly lower than a month ago. The improvement in rye prices followed the much reduced estimate of the Deutscher Landwirtschaftsrat which places production of winter rye at 259,710,000 bushels compared with the 282,268,000 bushels officially estimated as of September 1 this year, and 248,844,000 bushels, the official figure for winter rye in 1926. About 3,937,000 bushels should be added to each of these figures for spring rye.

Wheat and rye prices per bushel in Germany, October-December, 1927

Date	Wheat			Rye
	Hamburg	Breslau	Berlin	Berlin
	Cents	Cents	Cents	Cents
1927				
Oct. 14	158.2	170.5	161.8	145.2
21	157.9	170.5	160.5	150.1
28	157.5	170.5	159.2	148.8
Nov. 4	154.3	170.5	156.6	141.0
11	154.3	169.9	155.9	145.2
18	155.3	173.1	157.9	146.4
25	155.6	173.1	158.2	145.2
Dec. 2	154.3	170.5	156.2	145.8

The new estimates of the wheat and rye crops by the German Agricultural Council although not official are considered very reliable by the trade. These estimates are based upon threshing returns. It should be pointed out that the increase of 9,079,000 bushels indicated in the wheat crop, 122,723,000 bushels as compared with the official 113,644,000 bushel estimate of October 1, is chiefly due to the increase in acreage, which was not known at the time of the official preliminary estimate.

The Deutscher Landwirtschaftsrat has also issued recently figures on stocks of grain in hands of farmers on October 15. As comparable figures for all of Germany for last year are not available, figures for Prussia only are shown herewith: These figures indicate that farmers have considerably more wheat on hand than a year ago and also more rye, but as much of this grain is known to be of poor quality, the effective increase is still uncertain.

WHEAT AND RYE: Stocks in hands of farmers in Prussia, October 15, 1926 and 1927

Crop	Amount 1/		Per cent of Total Crop	
	Oct. 15, 1926	Oct. 15, 1927	Oct. 15, 1926	Oct. 15, 1927
	1,000 bu.	1,000 bu.	Per cent	Per cent
Winter wheat	35,660	51,020	66.6	73.5
Spring wheat	5,163	6,936	86.2	91.0
Winter rye	133,287	139,197	69.3	70.2

1/ The amounts are based on the percentage figures, on the 1926 production figures (final official) and on the 1927 estimate of the Deutscher Landwirtschaftsrat.

The Deutscher Landwirtschaftsrat has also issued an estimate of the stocks of grain in the hands of farmers available for sale on October 15, expressed in per cent of the total crop, but no comparable figures for the same date last year are available:

WHEAT AND RYE: Stocks in hands of farmers available for sale, September and October 15, 1927

Crop	Sept. 15, 1927	Oct. 15, 1927
	Per cent	Per cent
Winter wheat	71.0	60.2
Spring wheat	83.7	77.2
Winter rye	50.3	37.4

The heavy German importation of rye and wheat so far this season is well demonstrated by the fact that rye importations are much above those for the corresponding period last year, when the crop was also short, while wheat importations are nearly as large as those for the same months in 1926 in spite of the fact that imports in August a year ago were exceptionally heavy. Arrivals at German ports in November have declined somewhat as compared with October, but are still relatively large.

GERMANY: Imports and exports of Wheat and Rye, July-Oct., 1926 and 1927

Month	Wheat		Rye	
	1926	1927	1926	1927
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Imports				
July	11,379	10,073	1,548	4,142
August	12,833	6,593	2,001	2,320
September .	5,568	7,276	621	1,431
October ...	7,268	9,568	1,086	2,201
Total ...	37,048	33,510	5,256	10,094
Exports				
July	8	1	55	5
August	98	27	81	396
September .	74	187	689	802
Total ...	180	215	825	1,203

France

The French wheat and flour market continued weak during the early part of November. Since then, however, there has been a considerable revival in wheat business and prices have increased. The change was brought about partly in consequence of a stronger world market situation, but to some extent also by rumors of the impending increase of the French import duty on wheat. Another factor tending to strengthen the market has been the growing evidence that more of this year's crop than formerly thought has suffered deterioration in quality. As a result of these developments millers and dealers have been showing much more interest in foreign grain.

Italy

Reports from Italy indicate a very active wheat market in November. Futures markets are reported generally firm. Flour mills as well as grain dealers have been active buyers both for near delivery and for shipments into January and February. Strong demand is reported for near Manitobas and there has also been good inquiry for Hard Winter for November and December/January shipment. Naples has been reported buying Soft Western as well as Barusso and Danube wheat for shipment up to January/February. Southern Italian interest in Amber Durum is reported restricted, however, in spite of rising prices, as a result, it is said, of large purchases made previously. Domestic offerings of wheat continue restricted and corn prices are firm.

Holland

Wheat markets in Holland have experienced considerable improvment in business during November, especially since the middle of the month, at the end of the month it was somewhat quieter, however. Some flour mills in the Rhine district, especially the Upper Rhine, still have supplies of wheat on hand, but other regions usually dependent upon Dutch markets for their supplies have been in the market and buying freely at advancing prices. Some large transactions in Plate as well as Hard Winter and Manitobas are reported. Demand for corn has also improved but inquiry for rye has been quieter.

Belgium

Belgian wheat markets report a good improvement in the volume of business during most of November and especially since the tenth of the month, although at the end of the month they became somewhat quieter. Domestic mills have been actively in the market and important sales have also been made to Germany. Good business in near and forward positions in both domestic and oversea's wheat is reported. Considerable stocks of Danubian wheat had accumulated at the end of October, but these have been reduced by the recent activity in business. The trade is reported much more optimistic.

Danube Basin

The revival of business in Western European wheat markets during November has been reflected in some improvement in the Danube Basin, but principally in the Upper Basin in Czechoslovakia, Austria and Hungary. The slackening in import markets the last of November was also reflected in the Danube markets, but prices have been maintained. The extreme dullness prevailing for many weeks in Yugoslavia and in the lower Danube, especially in Rumania, because of the relatively high internal prices, has shown only few signs of lessening. Prices must be reduced in these countries or world market prices further increased before export business seems likely to become active. Improvement in flour business is reported from most of the region, but it has been most pronounced in countries in the Upper Basin.

Czechoslovakia

Czechoslovakian wheat markets have shown slow but steady improvement throughout November and continue relatively busier than in most other parts of the Danube Basin. The bulk of business has been in domestic wheat, but considerable interest has also been shown in Hard Winter, Manitobas and Danubian. Flour sales have urther improved, particularly in the finer qualities. Marketing of domestic grain is reported good.

Austria

The Vienna grain market has also registered improved business in November, especially after the first week. A relatively active turnover in wheat, rye and corn is reported, with prices showing a firm tendency. Better demand for flour has finally brought Austrian mills into the market for grain, and grain dealers are showing considerably more optimism.

Hungary

The Hungarian wheat market has been rather slow to feel the pulse of reviving business in Western European markets, but since the middle of the month reports a very encouraging improvement in the volume of sales. Flour mills have begun to buy much more freely at advancing prices, but quotations are still below levels ruling at the beginning of the month. The volume of farm marketing of grain is now reported fairly good, although it has not yet become abundant.

Rumania

The Rumanian wheat market exhibited a few signs of improvement early in the month, but the tendency has not been maintained and the export situation has continued relatively unsatisfactory throughout the month. The relatively high internal prices, which have been preventing the development of export business and causing the accumulation of large stocks at the river ports, still prevail. It is hoped, however, that the stronger tendency of world prices, coupled with the recent reduction in freight

rates and the lowering also of the export duty on wheat from 6.51 cents to 4.56 cents per bushel, will bring about some improvement, but many members of the trade do not appear very optimistic. The corn and barley export business has shown some small improvement recently, owing to the better tendency abroad, but arrivals from the interior are running small and local prices have advanced considerably.

No information is as yet available as to the acreage of Autumn sown grain, but reports have recently appeared from various sources that a lack of moisture exists in some parts of the country. Several statements have indicated, in fact, that the condition of winter seeds is considerably less favorable than a while back. Later reports, however, speak of a good snow-fall.

Yugoslavia

The Yugoslavian grain market has continued relatively quiet and marketings have remained rather restricted during November. There has been some revival of demand for grain from the flour mills, however, although the industry continues to complain that it is almost impossible to compete with Hungarian and Rumanian mills in neighboring markets. It appears likely that Yugoslavian exports of both grain and flour will be considerably reduced this year, although the wheat crop is now thought to be a little better than expected a while back. The short crops in Yugoslavia are tending to hold up internal prices and make export business difficult, even though some surplus seems to exist.

Bulgaria

November reports from Bulgaria indicate generally restricted export business in wheat as well as in corn and barley.

Poland

November reports from Poland continue to indicate the absence of any unusual developments in the domestic grain situation. The importation of wheat and flour into Poland has been prohibited, effective December 4. Some reports indicate the purpose of this is partially at best to stabilize internal prices.

Russia

Russian collections and marketings continued low during November. Total grain procurements for the season through November 20 amounted to 5,033,000 short tons compared to 5,927,000 short tons for that period last year. Figures for wheat alone are not yet available for the full period. For the season to November 1 they amounted to 2,337,000 short tons or 77,900,000 bushels compared with 2,618,200 short tons or 87,273,000 bushels for the same period in 1926 and 1,552,900 short tons or 51,763,000 bushels in 1925. Rye procurings to November 1 have been

higher than in the two preceding years, amounting to 940,500 short tons or 33,589,000 bushels in 1927, 884,800 short tons or 31,600,000 bushels in 1926 and 920,900 short tons or 32,889,000 bushels in 1925. Wheat exports have been small this year, the shipments through the Bosporus from August 1 to November 25 amounting to only 4,268,000 bushels compared with 14,608,000 bushels for the same period last year. Exports the year before to December 1 amounted to 11,584,000 bushels.

WHEAT, INCLUDING FLOUR: Exports from the United States by countries, July-October 1926 and 1927

Country to which exported	Wheat, including flr. July-October 1926	Wheat, including flr. July-October 1927	Wheat October 1926	Wheat October 1927	Wheat flour October 1926	Wheat flour October 1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels
United Kingdom ...	26,440	27,673	2,595	8,664	136	115
Irish Free State .	2,494	914	595	0	10	4
Netherlands	14,532	12,361	672	2,634	183	179
Germany	7,683	4,848	1,048	1,101	104	98
France	5,465	3,935	2,408	903	2	1
Belgium	4,561	6,990	465	1,184	4	2
Italy	4,403	5,160	1,353	1,831	1	1
Greece	2,645	1,797	a/	0	15	11
Finland	1,148	959	0	0	78	70
Norway	999	1,007	280	26	29	58
Denmark & Faroe Is.	998	1,351	0	103	70	84
Sweden	672	533	174	157	6	12
Malta, Gozo & Cyprus	242	465	11	254	2	3
Poland and Danzig	6	17	0	0	0	1
Other Europe	195	2,819	7	523	2	9
Total Europe ...	72,483	70,829	9,608	17,380	662	648
Canada	13,980	30,434	4,757	10,799	5	8
Cuba	1,778	1,877	69	5	117	104
Mexico	1,091	420	142	74	16	5
Panama	1,054	982	0	195	8	9
Haitian Republic	534	369	0	0	40	27
Brazil	4,049	1,345	724	0	107	68
Japan, incl. Chosen	5,326	1,646	1,736	752	2	1
China	1,195	1,337	299	0	52	206
Hongkong	622	1,497	a/	0	19	94
Kwantung	599	290	0	a/	32	23
Philippine Islands	1,198	1,153	0	0	61	88
Egypt	728	236	0	0	31	19
Other countries ..	5,790	4,144	254	31	233	213
Total exports ..	110,427	116,559	17,589	29,236	1,385	1,513
Total imports ..	4,824	3,683	1,816	1,625	a/	a/
Total reexports	70	4	3	a/	a/	a/
Net exports	105,673	112,880	15,776	27,611	1,385	1,513

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

a/ Less than 500.

WHEAT: Production, average 1909-1913, annual 1924-1927

Crop and countries reporting in 1927 a/	Average 1909-1913	1924	1925	1926	1927	Per cent 1927 is of 1926
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States	690,108	864,428	676,429	832,809	866,538	104.1
Canada	197,119	262,097	411,376	409,811	444,282	108.4
Mexico	11,431	10,357	9,440	10,333	11,519	111.5
North America (3)	898,708	1,136,882	1,097,245	1,252,953	1,322,339	105.5
Europe (25)	1,337,978	1,042,630	1,388,997	1,195,765	1,240,328	103.7
North Africa (4) ...	92,047	85,312	104,558	89,976	107,728	119.7
Asia (4)	384,130	399,372	374,761	367,236	375,367	102.2
Australia	90,497	164,559	114,504	160,858	115,000	71.5
Argentina	147,059	191,138	191,141	220,827	b/(230,000)	(104.2)
Total above 38 countries	2,950,419	3,019,893	3,271,206	3,287,615	3,390,762	103.1
Est. N. Hemis. total excl. Russia and China ..	2,759,000	2,732,000	3,038,000	2,979,000		
Est. world total excl. Russia and China ..	3,041,000	3,142,000	3,400,000	3,417,000		

a/ Figures in parenthesis indicate the number of countries included.
b/ Statistical forecast on basis of weather conditions.
